

# Introduction to TOURISM



Learning and Teaching Resource for Senior Secondary  
Tourism and Hospitality Studies Curriculum

# Introduction to TOURISM





## Preface

The learning and teaching resource for Senior Secondary Tourism and Hospitality Studies (THS) Curriculum (S4-6) entitled " *Introduction to Tourism* " is published by the Personal, Social and Humanities Education Section of Curriculum Development Institute, Education Bureau (EDB). It aims to support teachers in implementing the learning and teaching of the Senior Secondary THS Curriculum, and help them understand the features and requirements of the Curriculum.

This resource is written in line with *Tourism and Hospitality Studies Curriculum and Assessment Guide (Secondary 4-6) (2007) (with updates in November 2015)* prepared by the Curriculum Development Council, with the objective of enhancing students' understanding of different aspects of the tourism industry including travel motivations, tourism planning, major sectors of the tourism industry and impact of tourism. In addition, the resource includes activities which deepen students' understanding and help them to apply the related theories and concepts, as well as facilitating students to develop different generic skills including information- processing skills, creativity and problem-solving skills.

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# Introduction to Tourism



## 1.1. Travel and Tourism as an Integrated Discipline

Tourism embraces nearly all aspects of our society. It is so vast, so complex, and so multifaceted that there is a wide range of subjects related to tourism. Figure 1.1 shows some academic subjects which are related to tourism studies with corresponding examples. Each of these subjects helps us understand this topic better.

For example, History and Geography help us understand more about the development of the historical and geographical resources of a tourist destination; Marketing and Business help us understand the promotion and marketing of tourism products; the study of information technology enhances our understanding of the importance of the global distribution system and its effect on tourism business; the study of religion and culture provides information on the cultural resources of a destination and opportunities to develop it as a cultural destination.

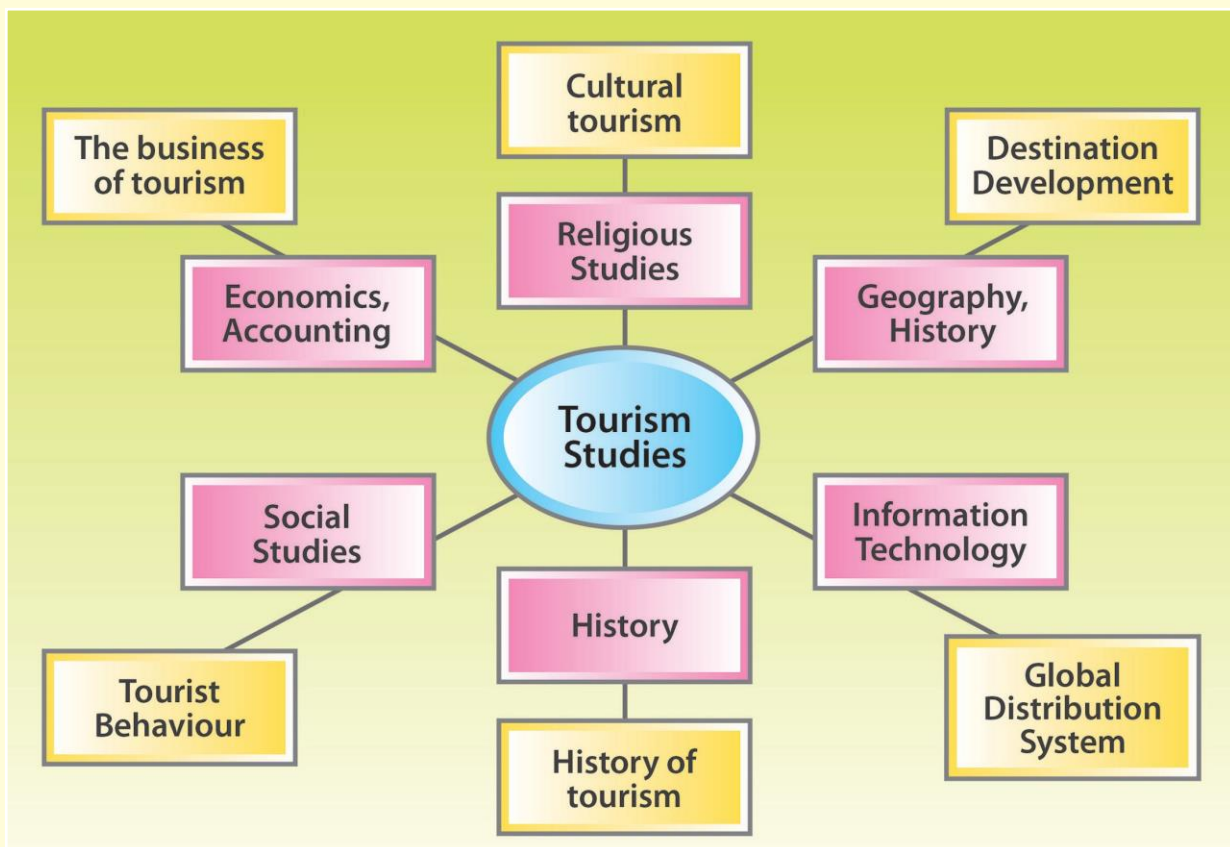


Figure 1.1 - Integrated Disciplinary Model of Tourism Studies

Source: Jafari, J., & Brent Ritchie, J. R. (1981). Toward a framework for tourism education: Problems and prospects. *Annals of Tourism Research*, 8(1), 13-34.

## 1.2. Integrated Model of Tourism



The vast majority of business organizations such as travel agents, meeting planners, and other service providers including accommodation, transportation, attractions and entertainment are related to tourism. These organizations are closely linked in the provision of services to the travellers.

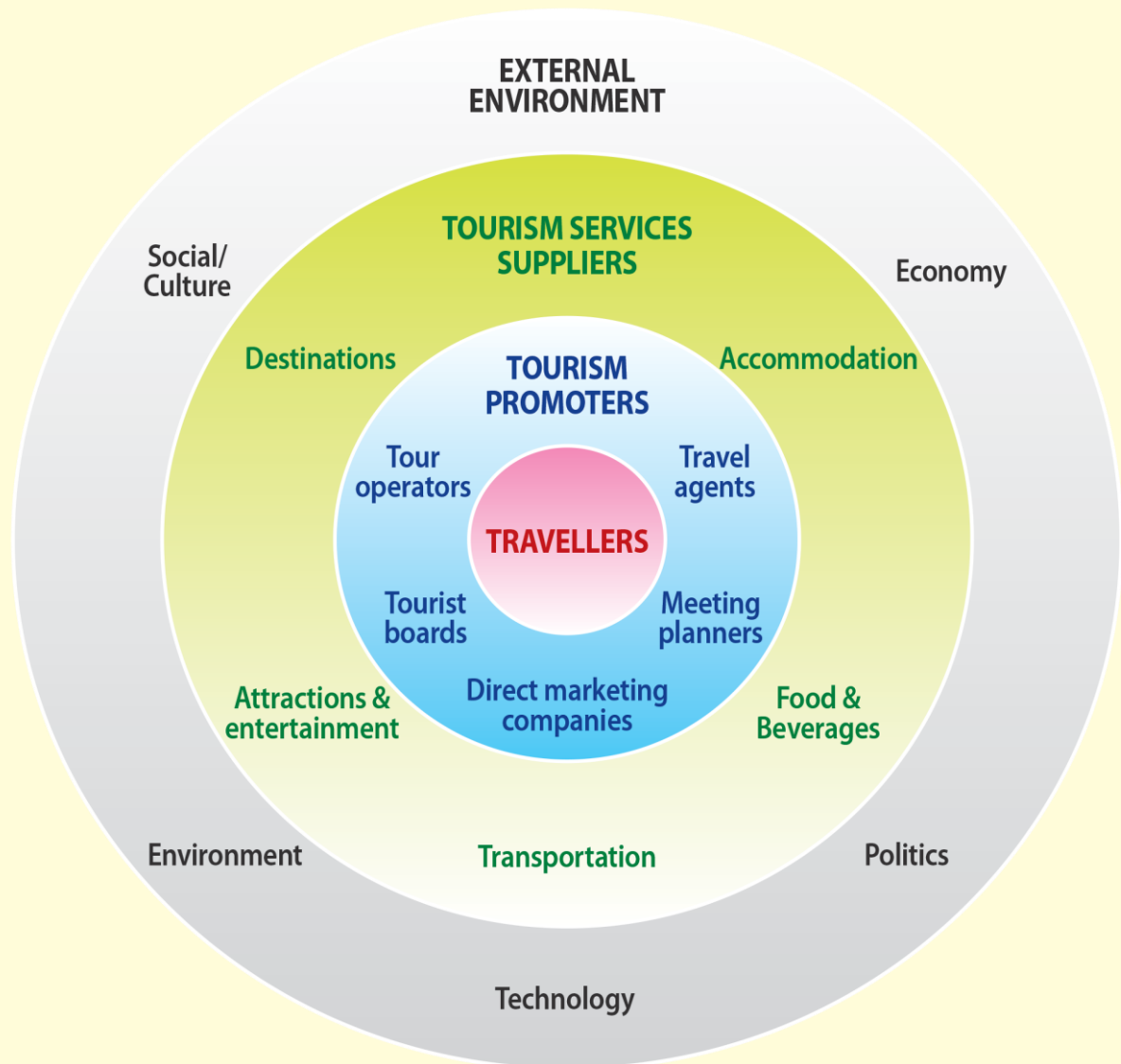


Figure 1.2 - Integrated Model of Tourism

Source: Cook, R. A., Yale, L. J., & Marqua, J. J. (2001). *Tourism: the business of travel* (2nd ed.). Pearson Prentice Hall.





# Introduction to Tourism

## 1.2.1. Key Elements in the Integrated Model of Tourism

Figure 1.2 shows the key elements in the integrated model of tourism. This model summarizes how key tourism stakeholders interact with each other and respond to the changes of the external environment. Detailed descriptions of these elements are provided as follows:

### 1) Travellers

Travellers or tourists are at the center of the model, for without tourists there would be no tourism. Radiating from the center are three large bands containing several interdependent groups of tourism participants and organizations.

### 2) Tourism Promoters

Tourism promoters are in the first layer, for they are in close contact with the travellers. Organizations in this layer include tourism boards, direct marketing companies, meeting planners, traditional and online travel agents, and tour operators. Tourism boards and direct marketing companies provide information and marketing services to travellers whereas travel agencies, tour operators and meeting planners provide services such as making travel arrangements and giving professional advice on tourism related matters.

### 3) Tourism Service Suppliers

Tourism service suppliers, such as airline companies, bus operators, railway corporations, cruise ship operators, hotels and car rental companies, etc. usually provide services to travellers independently. The service suppliers may also collaborate to provide tour packages for travellers by combining the various services such as accommodation, air transportation, etc.

### 4) External Environment

All of the participants, either individually or as a group, are constantly responding to a variety of social/ cultural, political, environmental, economic and technological forces. It is the interaction of these forces that determine how closely the individuals and organizations work together.



(i) **Social/ Cultural forces**

Local skill and know how, indigenous cultures of the destination and the attitude of local people towards tourists have a significant impact on the tourist experience. One example of encouraging the local community to take part in tourism is the “Hong Kong Pals” campaign launched by the Hong Kong Tourism Board, in which local residents are encouraged to offer travel advice to tourists from around the world.

(ii) **Political forces**

Government support for tourism, development of infrastructure, policy activities, planning, diplomatic relations between tourist generating countries and tourist destination countries, etc. influence the environment for tourism development. Many countries encourage tourism to develop stronger political and trade ties with others. Moreover, political instability may hinder tourism while visa policies can also be changed to increase or limit arrivals.

(iii) **Environmental forces**

Problems of pollution and destruction of natural environment caused by excessive urbanization and tourism development may destroy the pleasant ambience of a destination.

(iv) **Economic forces**

Disposable income of tourists, the affordability of destinations, changes in exchange rates and concerns over the state of the economy may affect the desire to travel.

(v) **Technological forces**

Technological innovations have transformed tourism in many ways. The initial growth of tourism occurred with the development of the railway, while large scale international tourism was made possible by the development of jet airplanes. Today, the use of mobile apps to search for information, make reservations or to purchase tourism products is transforming tourism. Some tourism promoters introduce apps to provide a range of services including direct booking and offering advice. Some even allow tourists to share experiences and inform others or help tourists to move through a destination. In particular, sharing economy apps for accommodation and transportation is changing how people travel.



# Introduction to Tourism

## 1.2.2. Factors that Encourage / Prohibit the Development of Tourism

Changes to the factors identified as part of the external environment in the Integrated Model of Tourism can result in significant positive or negative effects on tourism. Further explanations about their impacts are provided in Table 1.1 below.

Factors	Descriptions
Social Factors	<p>Demographic trends and social changes will have important positive and negative impacts on the future development of the industry. The fact that people are living longer, marrying later and having fewer children indicate the type of tourism products and services needed will change in the future.</p> <p>A positive impact of an aging population, for example, is higher demand for cruise and spa experiences, while a negative impact may be less demand for traditional theme parks.</p>
Cultural Factors	<p>Culture is a great tourist attraction, providing the local residents want to share their culture with visitors. Cultural tourism has now become one of the most popular forms of tourism as destinations can tell their stories to attract people.</p> <p>However, negative impacts of tourists on local cultures have caused some communities to call for restrictions on tourist arrivals.</p>
Political Factors	<p>Policies such as investment in tourism related infrastructures, favourable foreign tourism investment policies and openness in travel visas can facilitate the development of a tourist destination. For example, the Individual Visit Scheme (IVS) under the Closer Economic Partnership Agreement (CEPA) allows residents of designated Mainland cities to visit Hong Kong as independent travellers without joining group tours. It has resulted in more than 15 years of tourism growth, new hotel development and new attractions in Hong Kong.</p> <p>In addition, the political stability in a tourist destination can promote the development of the local tourism industry. Conversely, if the political situation in a tourist destination is unstable, it may have a negative impact on its development. For example, the ongoing political instability and terrorist attacks in Egypt as well as the travel advisories for Egypt resulted in the fall of the visitor arrivals from 11.5 million in 2012 to 5.4 million in 2016.</p>





Factors	Descriptions
Economic Factors	Whether the global economic environment is healthy or not would affect people's intentions of travelling to other countries. Travel patterns change significantly during periods of economic growth or decline. During times when the economy is healthy, people take more trips, travel further away and stay longer. When the economy is weak, some people will not travel, while others will take fewer, shorter distance and shorter duration trips. As an example, arrivals from Russia to Hong Kong fell by almost 40% between 2013 and 2016 as a result of the collapse of the Russian Ruble.
Environmental Factors	Greater environmental awareness has affected tourism development in recent years. Green issues such as the development of ecotourism and green hotels have a positive impact on tourism as most destinations are developing sustainable tourism development practices.
Technological Factors	Travel and tourism has always been an industry that has made extensive use of new technological equipment. Computerized reservation system (CRS), the use of computers and sophisticated databases for marketing purposes are very common among travel agencies. Increasing competition within the industry force agencies to use new technology to its fullness. Latest developments in transportation make extensive use of new technology, for example the Mainland's High-speed Rail and the advances in aircraft design help opening up new long-haul destinations.

Table 1.1 - Factors that Encourage or Prohibit the Development of Tourism

## 1.3. History of Tourism

The history of tourism can be divided into 7 different stages as follow:

### 1) Roman Empire Period

During the Roman Empire period (from about 27 BC to AD 476), travel developed for military, trade and political reasons, as well as for communication of messages from the central government to its distant territories. Travel was also necessary for the artisans and architects “imported” to design and construct the great palaces and tombs. In ancient Greece, people traveled to Olympic Games. Both the participants and spectators required accommodations and food services. Wealthy Romans, in ancient times, traveled to seaside resorts in Greece and Egypt for sightseeing purpose.

### 2) Middle Age Period

During the Middle Age (from about 5<sup>th</sup> to 15<sup>th</sup> century), there was a growth of travel for religious reasons. It became an organized phenomenon for pilgrims to visit their “holy land”, such as Muslims to Mecca, and Christians to Jerusalem and Rome.

### 3) 16<sup>th</sup> Century

In the 16<sup>th</sup> century, the growth in England’s trade and commerce led to the rise of a new type of tourists - those traveled to broaden their own experience and knowledge.

### 4) 17<sup>th</sup> Century

In the 17<sup>th</sup> century, the sons and daughters of the British aristocracy traveled throughout Europe (such as Italy, Germany and France) for periods of time, usually 2 or 3 years, to improve their knowledge. This was known as the Grand Tour, which became a necessary part of the training of future administrators and political leaders.

### 5) Industrial Revolution Period

The Industrial Revolution (from about 18<sup>th</sup> to 19<sup>th</sup> century) in Europe created the base for mass tourism. This period turned most people away from basic agriculture into the town / factory and urban way of life. As a result, there was a rapid growth of the wealth and education level of the middle class, as well as an increase of leisure time and a demand for holiday tourism activities. At that time, travel for health became important when the rich and fashionable Europeans began to visit the spa towns (such as Bath



in England and Baden - Baden in Germany) and seaside resorts in England (such as Scarborough, Margate and Brighton).

## **6) 19<sup>th</sup> to 20<sup>th</sup> Century**

Social and technological changes since then have had an immense impact on tourism. Great advances in science and technology made the invention of rapid, safe and relatively cheap forms of transport possible. Railways were invented in the 19<sup>th</sup> century and passenger aircraft in the 20<sup>th</sup> century. World War II (AD 1939-1945) was also the impetus for dramatic improvements in communication and air transportation, which made travel much easier today than in earlier times. The development of jet aircraft, and especially the introduction of the first Boeing 747 in 1970 made intercontinental travel affordable for the masses. The rising popularity of the automobile meant people had far more freedom in where they could travel, leading to the development of roadside motels, opening up new destinations and further enabling more people to travel.

## **7) 21<sup>st</sup> Century**

With the rising popularity of the Internet since the late 1990s and early 2000s, the industry has been experiencing various changes that boost the tourism development. It has allowed tourism service suppliers to sell products directly to travellers through the Internet. Travellers can log on to the Internet easily to reach for travel information, book a ticket or hotel room through their personal computer at home. It has also led to the rise of online travel agents (OTAs) that offer thousands of new destinations, tour products and discounted airfares for travellers to choose from. Meanwhile, the growth of social media has provided another platform for the promotion of tourism products in diversifying ways.

Besides technological changes, the early 2000s to 2020s also witnessed a number of monumental events and developments that changed travel and tourism. The September 11, 2001 attacks against the United States, commonly referred to as 9/11, brought renewed focus on safety and security, especially at airports and flights, due to the threats of terrorism. In March 2020, the World Health Organization declared COVID-19 as a global pandemic. This event brought international tourism close to a standstill. Going forward, attention on the effects of climate change on society will push travel and tourism developments towards a carbon neutral future.





# Introduction to Tourism

## 1.4. Careers in the Tourism Sector

### 1.4.1. Job Opportunities

The World Travel and Tourism Council (WTTC) estimates the travel and tourism industries and their associated sectors provide more than 100 million jobs worldwide directly and are indirectly responsible for close to 300 million total jobs. In other words, tourism accounts for one in 10 jobs globally. In Hong Kong, WTTC estimates that tourism directly supported 189,000 jobs or 5.0% of total employment and when indirect or spin-off employment is considered, supported over 559,000 jobs or 14.7% of the total workforce.

Besides working in travel agencies, airlines, tour operators, theme parks, events and hotels, students can also have other options such as working in government tourism departments, customs services, airline catering, tourism promotions, sales, etc.

Source: WTTC (2017). *Travel and Tourism: Economic Impact 2017 – Hong Kong*. World Travel and Tourism Council.

The following is a list of some entry positions in the local tourism sectors:

Tour and Travel Services	Travel and Transportation	Lodging	Food and Beverage
<ul style="list-style-type: none"><li>- Tour guide</li><li>- Tour escort</li><li>- Travel consultant</li><li>- Incentive travel agent</li><li>- Corporate travel agent</li><li>- Travel academy instructor</li><li>- Meeting planner, etc.</li></ul>	<ul style="list-style-type: none"><li>- Airline pilot</li><li>- Flight attendant</li><li>- Ground service staff</li><li>- Air traffic controller</li><li>- Cruise crews, etc.</li></ul>	<ul style="list-style-type: none"><li>- Receptionist</li><li>- Concierge</li><li>- Housekeeper</li><li>- Reservation staff</li><li>- Recreation instructor</li><li>- Bell attendant, etc.</li></ul>	<ul style="list-style-type: none"><li>- Waiter / waitress</li><li>- Banquet server</li><li>- Banquet sales manager</li><li>- Chef</li><li>- Bartender</li><li>- Cashier</li><li>- Hostess, etc.</li></ul> <p><b>Others</b></p> <ul style="list-style-type: none"><li>- Retailing</li><li>- Public relations</li><li>- Advertising</li><li>- Market research</li><li>- Human resources, etc.</li></ul>

Table 1.2 - List of Career Opportunities in the Tourism Sector

Source: Colbert, J. (2004). *Career opportunities in the travel industry*. Ferguson.



### 1.4.2. Career Development

The tourism industry offers different career pathways according to the different types of positions available in the market. Examples of three different career pathways are shown as follows:



Figure 1.3 - Examples of Career Path in the Tourism Industry

Source: Employees Retraining Board (2012). Industry Overview.

## Activity 1.1

### Case Study - Career Opportunities Provided by Travel Industries

#### Flight Attendant Requirements

You may have heard that there are all sorts of crazy flight attendant requirements. But are airlines really being that ridiculous when recruiting flight attendants?

In Figure 1.4 covers what's required to become a flight attendant. In addition to these personal requirements, all airlines expect applicants to pass their high-level training programs.

#### Requirements

- Minimum age: 18 to 21 years, depending on the airline
- Height: 4ft 11in and 6ft 3in, or 150cm and 190cm, tall.
- Weight: Just be a "healthy weight" for your height!
- Reach: 208cm (on tippy-toes)
- Vision: 20/30, with or without corrective measures
- Appearance: Clean, neat, conservative
- Personality: Independent, patient



Figure 1.4 - Requirements to be a flight attendant

Source: Louise McGrath, Career Flight Path

#### Questions for Discussion

1. Apart from the requirements listed in Figure 1.4, search from the Internet for more detailed requirements to be a flight attendant in the following aspects: Physical attributes; Physical ability; Appearance; and Personal qualities (including communication skills and personality traits).



2. Explain why appearance and personal qualities (including communication skills and personality traits) are keys to getting successfully employed as a flight attendant.
3. Describe the general duties/ work situation of a flight attendant.
4. Apart from flight attendants, what are other positions in the aviation industry?
5. Imagine that you are a high school graduate this year planning to enter the aviation industry. Other than the position of flight attendant, list two other positions that you would like to apply for in this industry and indicate their respective job duties/service nature.





# Introduction to Tourism

## Suggested answers:

### Question 1

Physical attributes	<ul style="list-style-type: none"><li>- Height: The most common height range is between 4ft 11in and 6ft 3in, or between 150cm and 190cm tall</li><li>- Reach: Even though your reach is closely related to your height, the height you can reach to is a more accurate and is increasingly becoming “the measurement” for determining your suitability to work inside a cabin. Some airlines have stated they require a reach of 208cm. It’s been said some airlines will allow you to stand on the balls of your feet</li><li>- Weight: There are no specific numbers regarding the weight requirement. The definition is simply this: your weight must be proportional to your height. A great starting place is to use the calculator to work out your BMI, and if you’re within “normal weight”, you clearly have nothing to worry about</li><li>- Vision: At least 20/30 vision</li></ul>
Physical ability	<p>Being a flight attendant is actually a very physically demanding job, especially when you’ll be doing it back to back for days on without a break. Here’s just a sample of the day-to-day requirements of flight attendants:</p> <ul style="list-style-type: none"><li>- Lifting heavy baggage into overhead lockers</li><li>- Pushing a 200lb service cart up and down the aisle</li><li>- Keeping your balance during the flight, while serving passengers food and drink, and through turbulence</li><li>- Walking for miles through the airports, and not getting lost on your way</li><li>- Working in tight spaces</li><li>- Managing to work in a pressurized cabin, with recycled air for extended periods</li><li>- Managing jet lag/ sleep deprivation</li><li>- Working extended shifts, in excess of 12 hours</li></ul>
Appearance	<ul style="list-style-type: none"><li>- well-groomed</li><li>- having a neat, unassuming appearance</li></ul> <p>For example: always polished shoes, always the entire company uniform, always having your shirt tucked in and never having an outrageous hair color</p>





Personal qualities	<ul style="list-style-type: none"> <li>- Communication skills:             <ul style="list-style-type: none"> <li>• Be able to communicate effectively in English                 <ul style="list-style-type: none"> <li>- Excellent verbal skills: Listening, comprehending and giving instructions</li> <li>- Excellent literacy skills: Reading and writing</li> </ul> </li> </ul> </li> <li>- Personality Traits:             <ul style="list-style-type: none"> <li>• Be able to work well under pressure, or in stressful situations</li> <li>• Work well in a team</li> <li>• Be flexible</li> <li>• Be patient</li> <li>• Be focused on customer service and customer satisfaction</li> <li>• Be caring and conscientious</li> <li>• Be a problem solver</li> <li>• Be able to multitask effectively</li> <li>• Have a positive attitude</li> <li>• Be confident within themselves, and portray confidence</li> <li>• Be observant and always aware of their surroundings</li> <li>• Have a professional manner</li> <li>• Be punctual</li> <li>• Be safety conscious</li> </ul> </li> </ul>
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*(Other possible answers)*

## **Question 2**

### **Appearance:**

- The strict grooming regulations can help maintain the branding of the airline and the company standards.

### **Personal qualities:**

- Flight attendants with good communication skills can listen attentively to the enquiries and requests from the passengers and respond to their enquiries and requests effectively. This is particularly important in emergency situations in which flight attendants are relied upon to give instructions to passengers.
- Flight attendants are constantly engaging with passengers. Their personality traits will dictate their actions, attitudes and behaviors and directly affect the service quality.

*(Other possible answers)*



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## **Question 3**

- Provide information, guidance, and assistance for safety and comfort to passengers on board
- Conduct safety check before flight
- Greet customers, check their tickets and accompany them to their seats
- Prepare and serve drinks and food to passengers
- Present emergency equipment and give instructions
- Answer passengers' inquiries and take care of their needs
- Monitor and secure the cabin regularly
- Assist passengers and cabin crew during emergency situations
- Provide special help to passengers with special needs (children, disabled persons, elders etc)
- Sell duty-free commodities
- Submit analytic reports concerning flight incidents (Source: <https://resources.workable.com/flight-attendant-job-description>)

*(Other possible answers)*

## **Question 4**

- Pilot
- Ground crew
- Aircraft Maintenance Engineers
- Operation Officer, Airfield
- Air Traffic Control Officer
- Air Traffic Flight Services Officer
- Aeronautical Communications Officer

## **Question 5**

*(Open-ended)*

# The Meaning of 'Travel' 'Tourism' and 'Tourist'





## 2.1. Concepts and Definitions of 'Travel', 'Tourism' and 'Tourist'

### 2.1.1. Definitions of 'Travel', 'Tourism' and 'Excursion'

'Travel' and 'tourism' have somewhat different meanings. Besides the term 'tourists', other terms such as 'travellers', 'excursionists' and 'visitors' are commonly used to describe people traveling to destinations outside their own residences and working places. In facts, there are some variations in the meanings of these terms.

#### 1) Travel and Traveller

**Travel** comprises all journeys from one place to another. It includes all journeys for leisure, work, residence, study or just passing through a country without stopping.

A **traveller** is someone who moves between different geographic locations for any purpose and any duration.

#### 2) Tourism and Tourist (Overnight visitor)

**Tourism** means the temporary short-term movement of people to destinations outside the places where they normally live and work, as well as their activities during their stay at these destinations. It should be noted that all tourism should have some travel, but not all travel is tourism.

According to the United Nations World Tourism Organization (UNWTO), tourism comprises "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". The term "usual environment" is intended to exclude trips within the area of usual residence and frequent and regular trips between the domicile and the workplace and other community trips of a routine character.

According to International Recommendation for Tourism Statistics 2008, a tourist is a person who travels to destinations outside his/her residence and working place, and stays for at least 24 hours but less than a year, for any main purpose (leisure, business or other personal purposes) other than to be employed by a resident entity in the country or place visited.



Based on the UNWTO's definition on tourism, tourism could be categorized as:

(a) Domestic Tourism

**Domestic tourism** involves trips made by local residents within their own countries. Example: An American, who lives in New York, takes a business trip to Los Angeles.

A **domestic tourist** is a person who stays at least one night in a collective or private accommodation in the place visited within his/her own country.

(b) International Tourism

**International Tourism** involves trips between 2 countries as shown in Figure 2.1. To a certain country, visits by residents of that country to another country is his/her outbound tourism; visits to that country by residents of another country is his/her inbound tourism.

An **international tourist** is a person who visits another country and stays at least one night in a collective or private accommodation in the country visited.

(i) Inbound Tourism and Inbound Tourist

**Inbound tourism** involves the activities of a person who visits another country. The **inbound tourist** is the person making the trip.

Example: A Canadian tourist travelling to the United States would be considered as a form of inbound tourism from the perspective of the United States.

(ii) Outbound Tourism and Outbound Tourist

**Outbound tourism** involves activities of a person who leaves his/her country and travels to another country. **Outbound tourists** are the people leaving their country.

Example: A Canadian tourist travelling to the United States would be considered as a form of outbound tourist from the perspective of Canada.

According to Figure 2.1, the tourist leaves Country A (which is a tourist generating country) to Country B (which is a tourist receiving country). From the point of view of Country A, this person is an outbound tourist; but from the point of view of Country B, he/she is an inbound tourist.





Figure 2.1 - Outbound and Inbound Tourism

### 3) Excursion and Excursionist (Same-day visitor or day tripper)

An excursion is the visit to a destination for less than 24 hours, for leisure, business or other personal purposes, but not for transit those not entering the economic and legal territory.

#### (a) Domestic excursionist

A visitor who does not spend the night in a collective or private accommodation in the place visited within his/her own country.

Example: A Hong Kong resident goes to

- Shenzhen shopping without staying overnight.
- Macau sightseeing without staying overnight.

#### (b) International excursionist

A visitor who does not spend the night in a collective or private accommodation in the country visited.

Example: A Canadian resident takes a short trip to the USA without staying overnight.



### 2.1.2. United Nations World Tourism Organization's (UNWTO) Definitions of 'Tourist'

The UNWTO has revised the definition of inbound travellers over the years to help clarify the statistical gathering process. The latest version, shown below, was developed in 2008.

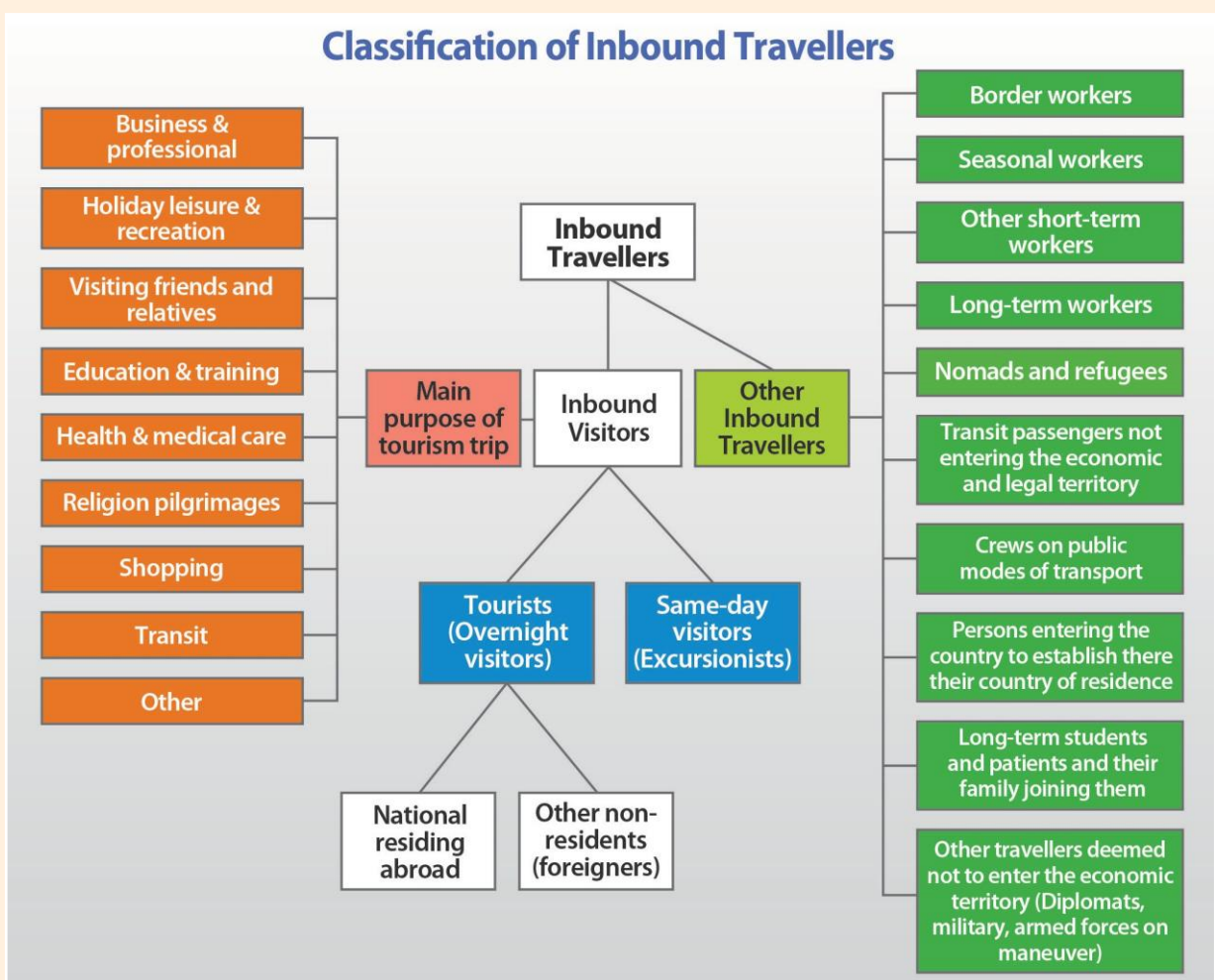


Figure 2.2 - Classification of Inbound Travellers

Source: *International recommendations for tourism statistics 2008*. (2010). United Nations.

**How to distinguish between tourists and those who are not considered as tourists?**

Refer to Figure 2.2. Inbound visitors are classified either as tourists or excursionists; tourists are further classified as nationals residing abroad but visiting the reference country and other non-residents visiting the reference country. All inbound visitors



are classified according to the main purpose of trip and the purposes will be further described in Section 2.1.3.

But, there is a second group of people who are not classified as tourists. They include:

- Border workers

Travellers crossing the international (or administrative) border on a regular basis in order to work in a country (or region) different from that of their place of usual residence. An example is people who live in Shenzhen and commute to work in Hong Kong.

- Seasonal workers and other short-term workers

Travellers employed under a short-term contract to work in a country (or region) other than that of their residence. An example includes seasonal workers in agriculture, construction, hotels, restaurants and other services, as well as other workers.

- Nomads and refugees

Nomads, by convention, all places they visit are part of their usual environment so that beyond the difficulty in certain cases of determining their country of residence, they are not visitors. Refugees or displaced persons with no place of usual residence, their place of stay is considered to be their usual environment, so they are not visitors either.

- Crews on public mode of transport

Crews on public mode of transport, either regular or irregular, should be considered as within their usual environment and thus excluded from visitors. Thus, airline crew would be considered as working in their usual environment and would not be considered as 'tourists'.

- Diplomats, military and armed forces on maneuver

Diplomats, military personnel of foreign Governments, as well as accompanying or joining dependants are deemed not to enter the economic territory of the country in which they are stationed according to balance of payments principle. As a consequence, they are not counted as tourists to the country in which they are stationed. Armed forces on maneuver should also be excluded in order to be consistent with balance of payments criteria.



Some cases are less clear and their classification depends on their length of stay. For example:

- Students: Those taking short-term courses (less than one year) are visitors, whereas those taking long-term courses (one year or more) should be considered within their usual environment in their place of study and be excluded from visitors.
- Patients: Those staying one year or more should be considered as within their usual environment. Those staying for less than one year on the other hand should be treated as visitors.

For more information, please consult: *International recommendations for tourism statistics 2008*. (2010). United Nations.





### 2.1.3. Trip Purpose

Trip purpose is defined as the purpose in the absence of which the trip would not have taken place. In other words, if not for this purpose, the person would not be travelling. When most of us think of tourism, we tend to focus almost exclusively on pleasure travel. But, tourists can travel for a number of reasons. The following shows the nine major trip purposes (in Figure 2.2) identified by the UNWTO, under two categories of personal as well as business and professional:

#### 1) Personal

- (a) Holidays, leisure and recreation
- (b) Visiting friends and relatives
- (c) Education and training
- (d) Health and medical care
- (e) Religion/ Pilgrimages
- (f) Shopping
- (g) Transit
- (h) Other

#### 2) Business and professional

Not every place adopts these categories. Instead, most surveys, including those used by Hong Kong identify business, vacation, visiting friends and relatives (VFR) and transit as the main choices for survey respondents. An 'other' purpose may be included to gather information on other types. (Table 2.3)

In reality, most people travel for multiple reasons. They may be travelling on holiday and include a visit with friends and relatives, or combine a business and pleasure trip. Increasingly, government tourism surveys are asking people to identify their main trip purpose and all other secondary reasons.

The mix of trip purposes varies according to the market. In fact, more visitors





may come to Hong Kong for reasons other than leisure as shown in Table 2.3. Short haul tourists tend to include more pleasure tourists, while those from neighbouring economies (Mainland) tend to include more VFR tourists.

Market Source Trip Purpose	All	Mainland	Philippines	USA	Italy
Vacation	61	60	85	47	49
Visiting Friends and Relatives	18	21	5	18	11
Business	13	10	7	22	32
Other	5	7	1	3	3

Table 2.3 - Percent of Overnight Arrivals by Trip Purpose

Source: HKTB 2019

## 2.2. Forms of Travel

The followings are some common forms of travel based on travellers' purposes of visiting a destination.

### 1) Leisure / Holiday Tourism

Leisure / Holiday tourism can be undertaken for many reasons. Two popular types are for: relaxation; and sightseeing.

#### (a) Relaxation

The destinations for relaxation tourism can offer attractive scenery or sun, sea, sand and lots of activities to keep people busy. Examples of these types of destinations include coast lines, beach resorts, countryside and mountainous regions.



Sun, sea and sand



Attractive scenery

#### (b) Sightseeing

The main reasons for sightseeing tourism are to explore, for self-education and for self-esteem. This kind of tourist takes a lot of photographs. Urban centers are as popular as long touring trips through interesting countryside.

### 2) Business Tourism

Business people buy similar products as do other tourists. They would also spend money on entertainment and recreation while they are at their destinations. The business travellers may travel for various purposes, for example, trade, meeting, incentive travel, convention and exhibition.



## **MICE**

- Meetings - usually refer to corporate meetings
- Incentive travel - rewards employees for achieving specific goals by sending them on a trip and usually includes an element of meetings or business, along with a pleasure component
- Conventions - organized by associations and refer to a meeting of people with a common interest who gather together to talk about similar matters, for example, annual or semi-annual meetings of global organizations (such as Kiwanis Club, Apex, etc.), meetings of professional bodies (like medical associations and academic groups), and the like
- Exhibitions - are activities organized to show new products, services and information to people who have an interest in them, such as potential customers or buyers

## **Characteristics of business tourism:**

- Business tourists frequently travel to large cities or industrial centres. Places like London, Frankfurt, New York, Tokyo and Hong Kong are important destinations for the business travellers as they are regional centres of commerce. Places like Shenzhen and Dongguan in the Mainland are not normally considered as leisure destinations but are popular with business tourists because of the number of factories they have.
- Business travel is relatively price-inelastic. Business people cannot be encouraged to travel more frequently by the offer of lower prices, nor will an increase in price discourage them from traveling.
- Business travel is not greatly affected by seasonality.
- Business tourists take relatively short but frequent trips.
- Business tourists may require different services, such as communication or secretarial service.
- Often, as well, business tourists will engage in sightseeing after work if they can fit it into their schedules.
- Business travellers expect, and generally receive, a higher standard of service and they are willing to pay more money. For example, many business travellers would choose first-class or business-class flights, and stay at high end hotels.



### 3) Cultural Tourism

Cultural tourism is related to the transmission of knowledge and ideas of the destination area or host community.

As tourists are curious about different kinds of experiences and cultures in various parts of the world, they travel to learn and experience the culture of a tourist destination. This becomes the prime motivational force for their travel.

This kind of tourist likes to visit different types of cultural attractions, ranging from concrete attractions such as museums and monuments, cultural performances to other cultural manifestations, such as the consumption of the way of life of certain cultures.



### 4) Ecotourism

Tourists of this kind enjoy traveling to natural areas. They will minimize their impact on the environment as well as protect the natural resources during their travel. Therefore, ecotourism is characterized as a force for conservation and preservation of nature.



For ecotourism, the managing authority of wildlife areas (national parks) will spend most of the income from tourists (entrance fees and donations, etc.) on the conservation work in the area. In some areas, the authority may offer tour guides to educate tourists and modify their behavior so that they will cause less impact on the environment.

### 5) Study Tourism

Students travel to overseas for short or vacation courses offered by learning or training centers such as universities. There is an increasing number of local study tours as well.

### 6) Religious Pilgrimage

People are motivated by their religious beliefs. The demand for this kind of tourism is quite stable. The destinations of religious pilgrimages usually have a long tradition, such as Muslims to Mecca and Christians and Jewish people to Jerusalem.





## 7) Health Tourism

Since the development of spas in the 18<sup>th</sup> century, there have been visitors to centers of medical treatment. The spas in the Mainland and Japan are still popular attractions in some tour programs.



## 8) Visiting Friends and Relatives (VFR)

Some tourists travel to visit their friends and relatives. It is sometimes said that those visiting their friends or relatives (VFR) are not really tourists at all in the conceptual sense. They do not usually buy accommodation or much food or drink or other services at the destination for they tend to stay at the host's homes. But they do consume food and beverages from supermarkets used by their hosts, and household consumption of other services (e.g. electricity, water) is increased during their stay. Also, as good hosts, they often treat their guests to a range of sightseeing experiences and visiting attractions they would not normally see.

## 9) Sports Tourism

Many tourists travel for sports. They may:

- participate in sports, such as skiing or mountaineering;
- watch sports, such as attending the Olympic Games, World Cup Soccer or the International Rugby-Sevens Competition in Hong Kong.

Hong Kong Rugby Seven



Scuba diving







The listing of the above examples can be considered as one classification of tourists based on their reasons of travel. In fact, there are numerous ways in analyzing the travel reasons and motivations of tourists, which will be further introduced and explained in the following chapter.

## Top Tourist Destinations of the World

According to figures compiled by UNWTO, international tourist arrivals have increased from 25 million globally in 1950, to 278 million in 1980, 527 million in 1995, and 1,460 million in 2019 (Table 2.4 and Table 2.5). As shown in the Figure below, arrivals have more than doubled in the last 20 years. Likewise, international tourism receipts earned by destinations worldwide have surged from US\$2 billion in 1950 to US\$104 billion in 1980, US\$415 billion in 1995 and US\$1,481 billion in 2019.

In 2019, France, Spain, the United States and China continued to top the rankings for international arrivals, while the United States, Spain, France and Thailand led in receipts.

International Tourist Arrivals	
Year	Million
2000	673
2005	810
2011	1,003
2015	1,203
2016	1,245
2017	1,333
2018	1,408
2019	1,460

Table 2.4 - International tourist arrivals



International Tourist Arrival (million) in 2019			International Tourism Receipts (USD billion) in 2019		
Rank	Destination	International Tourist Arrival	Rank	Destination	International Tourist Arrival
1	France	89.4 (2018)	1	United States	214.1
2	Spain	83.5	2	Spain	79.7
3	United States	79.3	3	France	63.8
4	China	65.7	4	Thailand	60.5
5	Italy	64.5	5	United Kingdom	52.7
6	Turkey	51.2	6	Italy	49.6
7	Mexico	45.0	7	Japan	46.1
8	Thailand	39.8	8	Australia	45.7
9	Germany	39.6	9	Germany	41.6
10	United Kingdom	39.4	10	Macao (China)	40.1
The world's top 10 destinations receive 40% of global arrivals.			The top 10 tourism earners account for almost 50% of total tourism receipts.		

Table 2.5 - Top 10 destinations by international tourist arrivals and by international tourism receipts in 2019

Source:

UNWTO World Tourism Barometer and Statistical Annex, December 2020. (2020). *WTO World Tourism Barometer*, 18(7), 1-36.

*International Tourism Highlights, 2020 Edition*. (2021).



## International Tourism Expenditure

Chinese tourists were the biggest spenders, followed by Americans and Germans. (Table 2.6).

International Tourism Expenditure (USD billion) in 2019			
Rank	Country	International Tourism Expenditure	Market Share (%)
1	China	254.6	17.2
2	United States	152.3	10.3
3	Germany	91.9	6.2
4	United Kingdom	71.1	4.8
5	France	50.2	3.4
6	Australia	36.2	2.5
7	Russian Federation	36.2	2.5
8	Canada	34.8	2.4
9	Korea (Republic of Korea)	32.3	2.2
10	Italy	30.5	2.1

Table 2.6 - Expenditure by source market

Source: UNWTO World Tourism Barometer and Statistical Annex, December 2020. (2020). *WTO World Tourism Barometer*, 18(7), 1-36.

Outbound tourism figures are harder to document because

- not all countries record departures;
- different countries use different systems. For example, some record all departures, including day trips and overnight departures, others separate overnight from same



Hong Kong records all departures and in 2016, reported that 91.7 million Hong Kong residents left the SAR. However, in reality, most of those people took day trips to Shenzhen or Macau.

A place like Canada records day and overnight departures and in 2016 reported 53.0 million international departures, of which 31.3 million were overnight departures and 21.7 million were same day excursionists.





## 2.3. Classification of Tourists

### 2.3.1. Cohen's Classification

Cohen's classification of tourist is based on the theory that tourism combines the curiosity to seek out new experiences with the need for the security of familiar reminders of home.

The idea of the environmental bubbles lies at the heart of Cohen's classification system. He says tourists travel in search of novelty and change, but only to the point that it becomes non-threatening. If the level of strangeness or change is too great, the tourist will either have a poor experience, will look for alternate tourist experiences or in extreme cases will not travel.

The environmental bubble, then is a bubble of familiarity that reduces the level of strangeness in visiting a destination to an acceptable level. It is a 'safety net' that reduces risk in order to maximise benefits. For example, hotels provide an environmental bubble in many ways, including:

- staff who speak many languages;
- provision of foods that suit different nationalities, especially at breakfast;
- tour desk services that can help organise day trips with tour guide and offer advice;
- in-room security;
- television channels from many different countries, enabling people to stay current with local events.

Importantly, not everyone can cope with the same level of strangeness, nor does any tourist necessarily want or need an environmental bubble on every trip. Some people are more adventurous than others and seek out destinations that are culturally different. Others can cope with only little change from their home environment and either travel close to home or must envelop themselves in a large environmental bubble if they travel outside of their comfort zone.

In the same way, the same person may seek a highly adventurous trip sometimes and then choose the relative ease of joining a package tour with a large environmental bubble on another trip. Which trip is taken depends on his or her motives at the time.

Using the idea of the environmental bubble, Cohen identified four types of tourist





experiences, depending on how much novelty and strangeness a person wants or can cope with (Table 2.7). These types are:

Role	Category	Characteristic
Organized mass tourists	Institutionalized tourism	<ul style="list-style-type: none"> <li>- are dealt with in a routine way by the tourist establishments, such as travel agencies, travel companies, hotel chain and other tourism related institutions which cater to the tourist trade</li> </ul>
Individual mass tourists		
Explorer	Non-institutionalized tourism	<ul style="list-style-type: none"> <li>- are loosely attached to the tourist establishment;</li> <li>- act as a “spearhead for mass tourism” as well as</li> <li>- a “demonstration effect” to the lower socio-economic groups of the host community</li> </ul>
Drifter		

Table 2.7- Cohen's Classification of Tourists

Source: Cohen, E. (1972). Toward a sociology of international tourism. *Social Research* 39(1), 164-182.

### 1) The Organized Mass Tourist

The organized mass tourists are the least adventurous and spend most of their time in their comfortable “environmental bubble” throughout their trip.

A guided tour in an air-conditioned bus traveling through the countryside is a typical example of the organized mass tourist. The itinerary is decided in advance, and all the attractions and stopping points are well fixed and guided. Tourists have almost no decisions on their trip.





## 2) Individual Mass Tourist

This type of tourists is similar to the organized mass tourist, except that the tour is not entirely fixed. The tourist has a certain amount of control over his/her time and itinerary, and is not bound to a group.

However, most major arrangements are still made in advance, either with a tour operator or using one of the many travel apps available today. The tour does not bring them much further afield than the organized mass tourists do. They are still confined by their “environmental bubble”.

## 3) Explorer

This type of tourists arranges their trips alone. They try to go somewhere unusual, but still look for comfortable sleeping places and reliable means of transportation. They retain some of the basic routines and comforts of their native way of life. They try to mix with the people they visit and also try to speak their language. The explorers dare to leave their “environmental bubble” more readily than the organized mass tourists and individual mass tourists, but they are still careful about their ventures.

## 4) Drifter

This type of tourists goes further away from the “environmental bubble” and from the accustomed ways of life in their home countries. They keep away from any kind of connection with the tourism establishment, such as hotels and tour coaches. The drifters have no fixed itinerary or timetable. They tend to make their trips wholly on their own, live with the local people and often take odd-jobs to keep themselves going. They try to live the way the locals live, and to share their houses, food, and habits.



## 2.3.2. Plog's Classification

Stanley Plog proposes a theory that associates the popularity of a destination to the inherent personalities of travellers. Plog suggests that travellers can be classified into



the following types based on their different personalities: allocentric, psychocentric and mid-centric.

### 1) Allocentric Type

An allocentric tourist is a person who seeks new experiences and adventure in a variety of activities. This person is outgoing and self-confident in behavior. An allocentric person prefers to fly and to explore new and unusual areas before others do so. Allocentrics enjoy meeting people from foreign or different cultures.

They prefer good hotels and food, but not necessarily modern or chain-type hotels. For a tour package, an allocentric would like to have the basics such as transportation and hotels, but not be committed to a structured itinerary. They would rather have the freedom to explore an area, make their own arrangements and choose a variety of activities and tourist attractions.

### 2) Psychocentric Type

Psychocentrics are more conservatively oriented. They tend to be inhibited and non-adventuresome. They prefer to return to familiar travel destinations where they can relax and know what types of food and activity to expect.

Psychocentrics prefer to drive to popular destinations, stay in well-established and inexpensive chains as well as eat at family-type restaurants. When arranging a package tour, psychocentrics would prefer a heavily structured itinerary so that they know what to expect. Safety and security are very important to this group.

### 3) Mid-centric Type

There is a large number of people falling between the allocentric and the psychocentric types of tourists. This type of tourists is called mid-centrics. Mid-centric tourists are not particularly adventurous, but they are receptive to new experience providing they have a selection of good hotels, attractions and known restaurants. They prefer independent travel, but will also buy package tours. They are looking for destinations that are fresh and unique and while developed have not become overly tourist. They may also visit well developed destinations with mid-priced family hotels, restaurants and other attractions.

Comparisons among the psychocentric, mid-centric and allocentric personalities of travellers are summarized in Table 2.8 below.

	Psychocentrics	Mid-centrics	Allocentrics
Personalities	<ul style="list-style-type: none"> <li>- inhibited and non-adventurous</li> <li>- safety and security are very important</li> </ul>	<ul style="list-style-type: none"> <li>- Not particularly adventurous</li> <li>- Open to new experiences</li> </ul>	<ul style="list-style-type: none"> <li>- Seek new experience and adventures</li> <li>- Out-going and self-confident</li> </ul>
Preferred types of travel products and destinations	<ul style="list-style-type: none"> <li>- Prefer familiar travel destinations</li> <li>- Like commonplace activities in destinations</li> <li>- Prefer relaxing sun-and-fun spots</li> <li>- Prefer low activity level</li> <li>- Prefer staying at familiar hotel chain, dining at restaurants offering cuisine of their home country</li> <li>- Prefer familiar rather than foreign atmospheres</li> <li>- Prefer purchasing complete tour packages featuring a full schedules of activities</li> </ul>	<ul style="list-style-type: none"> <li>- Enjoys discovering unusual places in known destinations</li> <li>- Prefers relaxing and pleasure, and spending time with friends and family</li> <li>- Open to new or unusual hotel experiences but still with a level of comfort</li> <li>- Likes to learn about different cultures in a controlled environment</li> <li>- Likes to have some contact with locals</li> <li>- Can do both independent or package tours</li> </ul>	<ul style="list-style-type: none"> <li>- Prefer “non-tourist” destination and few developed tourist attractions</li> <li>- Enjoy discovering new destinations before others have visited them</li> <li>- Prefer high activity level</li> <li>- Prefer simple services, such as adequate to good accommodations and food</li> <li>- Enjoy interacting with people from different cultures</li> <li>- Prefer tour arrangements that include basics (transportation and accommodations and allow for considerable flexibility)</li> </ul>

Table 2.8 - Personality Characteristics of Psychocentric, Mid-centric and Allocentric

Source: Plog, S. C. (1974). Why destination areas rise and fall in popularity. *The Cornell Hotel and Restaurant Administration Quarterly*, 14(4), 55-58.



Based on Plog's theory, tourists can be further divided into five types as follows:

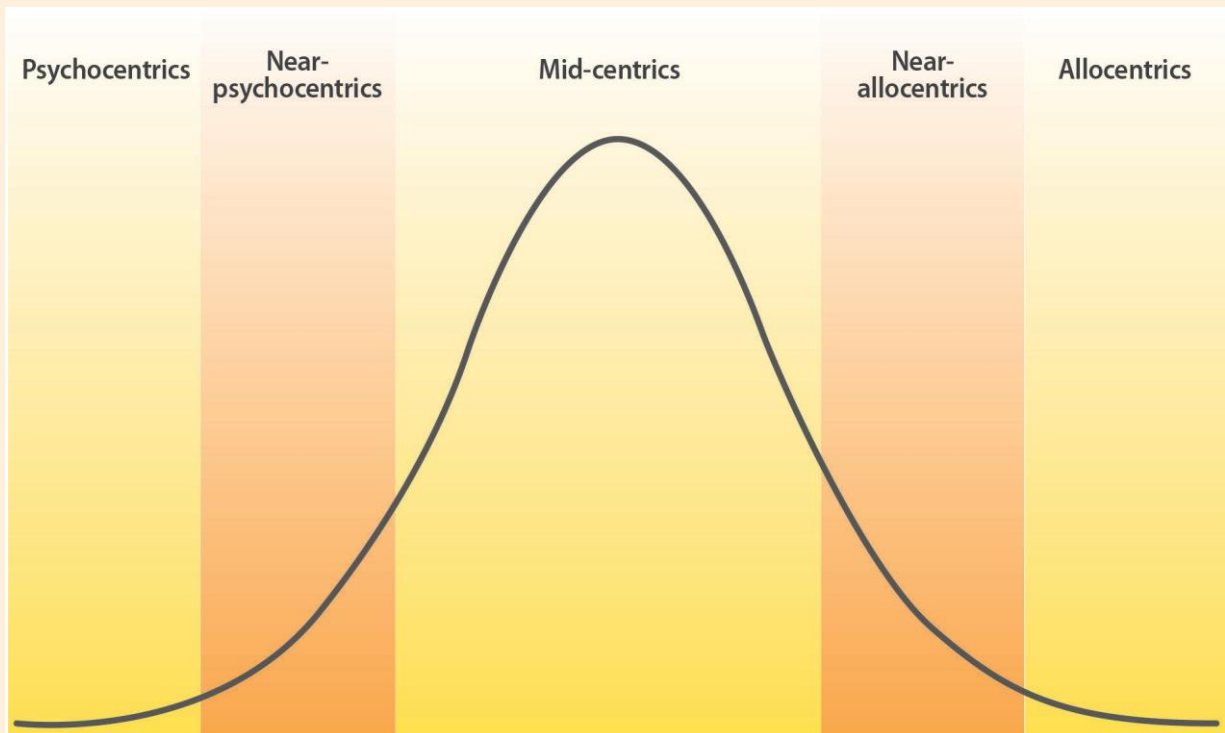


Figure 2.9 - Plog's Classifications of Tourists

Near-allocentrics share much in common with allocentrics, but are a little bit more cautious. They like to discover places and have new experiences, but they do not want such extreme vacations. Instead, they like a comfortable bed and eat meals they can trust.

Near-psychocentrics tend toward the psychocentric end of the spectrum. They are not particularly adventuresome. When they do travel, it tends to be to familiar places. They do not want surprises by going to a new destination and as such, tend to be repeat visitors.

References: Plog, S. (1987). Understanding psychographics in tourism research. In J.R.B. Ritchie and C.R. Goeldner (Ed.), *Travel, tourism, and hospitality research: a handbook for managers and researchers*. John Wiley and Sons.





## 2.4. Tourist's Codes of Behaviour and Concerned Issues (Risks)

### 2.4.1. Tourist's Codes of Behaviour

Based on the “Global Code of Ethics for Tourism” of the World Tourism Organization (UNWTO), tourists should take an active role in behaving themselves in order to achieve mutual tolerance and learn about the legitimate differences between peoples, cultures and their diversity. A few major points in making one's trip an enriching experience are as follows:

- Open your mind to other cultures and traditions – it will transform your experience, you will earn respect and be more readily welcomed by local people. Be tolerant and respect diversity – observe social and cultural traditions and practices.
- Respect human rights – Exploitation in any form conflicts with the fundamental aims of tourism. The sexual exploitation of children is a crime punishable in the destination or at the offender's home country.
- Help preserve natural environments – Protect wildlife and habitats and do not purchase products made from endangered plants or animals.
- Respect cultural resources – Activities should be conducted with respect for the artistic, archaeological and cultural heritage.
- Your trip can contribute to economic and social development – Purchase local handicrafts and products to support the local economy using the principles of fair trade. Bargaining for goods should reflect an understanding of a fair wage.
- Inform yourself about the destination's current health situation and access to emergency and consular services prior to departure and be assured that your health and personal security will not be compromised. Make sure that your specific requirements (diet, accessibility, medical care) can be fulfilled before you decide to travel to this destination.
- Learn as much as possible about your destination and take time to understand the customs, norms and traditions. Avoid behaviour that could offend the local population.
- Familiarize yourself with the laws so that you do not commit any act considered criminal by the law of the country visited. Refrain from all trafficking in illicit drugs, arms, antiques, protected species and products or substances that are dangerous or



prohibited by national regulations.

Source: UNWTO (2005). The Responsible Tourist and Traveller.

## **2.4.2. Concerned Issues / Risks While Traveling**

Safety is a primary concern of a tourist, for the very act of travelling creates some uncertainties and risks. Concerns or risks faced by tourists and how to reduce the risks associated with them include:

### **1) Potential for Crime**

- Avoid places where crime rates are high, wars are taking place or where there is threat from terrorists
- Know how to contact tourist police or other security personnel
- Keep a list of emergency telephone numbers
- Find out the location of fire exits in the hotel

### **2) Personal Security**

This type of concern involves the possibility of being physically injured, including accidents. Concerns of this type are most common at natural and historic sites, ruins and with adventure travel.

- Buy travel insurance in case you have to be evacuated
- Test safety equipment and wear it as required
- Stay on footpaths and well-marked trails

### **3) Financial Risk**

Financial risk comes in many forms ranging from receiving poor value for money, being cheated or losing one's valuables.

- Keep credit or debit cards and cash in separate places
- Put valuables in the hotel safe
- Take good care of one's travel documents
- Make photocopies of travel documents in case the original is lost
- Be aware of touts selling products or services on streets



- Always purchase goods from licensed operators
- Develop a strong password for mobile devices and keep it secret

#### 4) Health Concern

This type of concern relates to the chances of falling ill or catching a disease when travelling.

- Bring along needed medicine
- Get inoculations against disease if required
- Find out whether the destination has a disease outbreak
- Find out the sanitation condition in the country (whether it is necessary to bring drinking water)
- Avoid strenuous or stressful activity if you have a health concern
- Wash uncooked foods carefully before eating them
- Be careful with what to eat and drink. Avoid unclean food and water. Visit the Travel Health Service Website of the Hong Kong Department of Health when planning for a trip away from Hong Kong – [www.travelhealth.gov.hk](http://www.travelhealth.gov.hk)

#### 2.4.3. Tourists with Special Needs

Some tourists would have special needs while travelling. Sometimes, service providers should cater the special needs of these types of tourists by adjusting the existing services or providing extra ones to them. The types of tourists with special needs include:

- (1) Senior travellers
- (2) Religious travellers
- (3) Pregnant travellers
- (4) Children and infant travellers
- (5) People with disabilities

Table 2.10 shows some examples of special needs and how tourism businesses provide for different types of tourists with special needs.

## What would tourism businesses provide to meet the special needs of different types of tourists?

	(1) Senior travellers	(2) Religious travellers	(3) Pregnant travellers	(4) Children and infant travellers	(5) People with disabilities
Transport	<ul style="list-style-type: none"> <li>- Senior travellers prefer direct flights.</li> <li>- Senior travellers prefer traveling on coach.</li> <li>- Airlines may provide senior travelers with wheelchair or staff to assist them when boarding and disembarking the aircraft.</li> <li>- Trains may provide priority seating.</li> </ul>	<ul style="list-style-type: none"> <li>- Airports and other transport hubs provide prayer rooms.</li> <li>- Staff can show the direction of the aircraft to Muslims so they can pray to the holy centre (i.e. Mecca) of their belief.</li> </ul>	<ul style="list-style-type: none"> <li>- Airlines will normally accept passengers with pregnancies up to 28 weeks. A medical certificate may be required at check-in if the person during pregnancy before 37 weeks.</li> <li>- Coach may provide priority seating.</li> </ul>	<ul style="list-style-type: none"> <li>- Airlines may provide toys for them.</li> <li>- Airlines may offer meet and assist service for passengers travelling with infant when departing from and arriving at the airport. If children fly without adults, airlines must provide staff to take care of them.</li> <li>- Aircraft and trains may provide priority seating.</li> <li>- Airlines may provide special baby bassinets, diapers and baby food.</li> </ul>	<ul style="list-style-type: none"> <li>- Airlines would provide specialist seating and wheelchairs for people with mobility disabilities.</li> <li>- People with hearing disabilities would advise flight crew making announcements to them in person.</li> </ul>

	(1) Senior travellers	(2) Religious travellers	(3) Pregnant travellers	(4) Children and infant travellers	(5) People with disabilities
Accommodation	<ul style="list-style-type: none"> <li>- Senior travellers may request accessible room that is located at lower floors or near to the elevators.</li> <li>- Hotels may provide senior travelers with wheelchair or staff to assist them when moving in and out of a hotel.</li> </ul>	<ul style="list-style-type: none"> <li>- Hotels often provide direction arrows so Muslims can pray to a holy center of their belief.</li> <li>- Hotels provide Bible and Koran in most rooms.</li> </ul>	<ul style="list-style-type: none"> <li>- Pregnant travellers may prefer accommodation with medical services (nearby).</li> </ul>	<ul style="list-style-type: none"> <li>- Hotels will provide an extra cot (bed) for children.</li> </ul>	<ul style="list-style-type: none"> <li>- Hotels may provide accessible room and wheelchairs for people with mobility disabilities.</li> <li>- Hotels can provide accessible toilets with roll in and roll out showers.</li> <li>- Hotel rooms should have a number of visual alert devices to help hearing-impaired travellers recognizing the ring of telephones, alarm clocks, a knock on the door, or a fire alarm, etc.</li> </ul>
Food & Beverages	<ul style="list-style-type: none"> <li>- Senior travellers may prefer dining at family-type restaurants or those offering cuisine of their home country.</li> <li>- Airlines may provide special meals for them.</li> </ul>	<ul style="list-style-type: none"> <li>- Airlines and restaurants can prepare special meals for people of different faiths. For example, <ul style="list-style-type: none"> <li>● offering Halal food and avoid offering pork and alcohol to Muslim;</li> <li>● avoid offering beef to Hindus</li> </ul> </li> <li>- Airlines and restaurants have to pay attention to the issue of fasting during the months of Ramadan.</li> </ul>	<ul style="list-style-type: none"> <li>- Pregnant travellers may request for special meals.</li> </ul>	<ul style="list-style-type: none"> <li>- Special children's meals can be offered on aircraft or at lower prices in restaurants and attractions.</li> </ul>	<ul style="list-style-type: none"> <li>- Travellers with medical disabilities may request for special meals.</li> </ul>



	(1) Senior travellers	(2) Religious travellers	(3) Pregnant travellers	(4) Children and infant travellers	(5) People with disabilities
Attractions	<ul style="list-style-type: none"> <li>- Senior travellers focus on soft adventure, sightseeing and history and culture.</li> </ul>	<ul style="list-style-type: none"> <li>- Religious travellers may prefer visiting places with religious values.</li> <li>- Etiquette hints are provided at most religious sites advising people how to behave.</li> </ul>	<ul style="list-style-type: none"> <li>- Pregnant travellers prefer low activity level such as sightseeing and shopping.</li> </ul>	<ul style="list-style-type: none"> <li>- People travelling with children may prefer visiting theme parks.</li> <li>- More time and pre-planning may be required.</li> </ul>	<ul style="list-style-type: none"> <li>- Barrier-free facilities (e.g. escalator and ramp access for people with mobility disabilities; braille signage for vision disabilities) could be provided.</li> </ul>
Tour operator	<ul style="list-style-type: none"> <li>- Tour operators provide a more leisurely itinerary with fewer stops, later starting times and multiple night stays at each destination.</li> <li>- No hidden cost is charged so they know exactly how much the trip will cost.</li> </ul>	<ul style="list-style-type: none"> <li>- Depending on the religion, people of different sexes may need to be seated separately.</li> </ul>	<ul style="list-style-type: none"> <li>- Shorter itineraries are available for pregnant travellers to avoid discomfort caused by their travelling.</li> <li>- Choose some less crowded attractions for pregnant travellers to avoid collision with others.</li> </ul>	<ul style="list-style-type: none"> <li>- Provide children and infants with itineraries that meet their needs such as playground and theme parks.</li> </ul>	<ul style="list-style-type: none"> <li>- To arrange barrier-free attraction for them and provide an experienced-tour guide. (e.g. Tour guide knows sign language).</li> </ul>

Table 2.10 - Tourists with special needs



# Travel Motivations and Tourist Flows



### 3.1. Travel Motivations

#### 1) Definition of "Motivation"

A motivation is a wish that prompts people to take action, work hard to achieve a goal, and satisfy a certain kind of need. For example, when a person is hungry and there is a need to appease his or her hunger, a motivation to search for food is formed. Therefore, people's activities of all kinds are driven by their motivations, and they govern people's actions.

Travel motivations help explain the following questions:

- Why do we go travelling?
- Why do we choose to travel to a certain place?
- Why do we participate in a certain travel activity?

These are essential questions about tourists' travel motivations. Travel motivations directly spur people's travel activities.

#### 2) The Motivations Process

Travellers are motivated to satisfy a need, and they have a perception of what will satisfy their need. At the same time, travellers have a perception of the attractions of the destination and whether the attractions satisfy their needs. If the two are compatible, travellers are motivated to visit that destination.

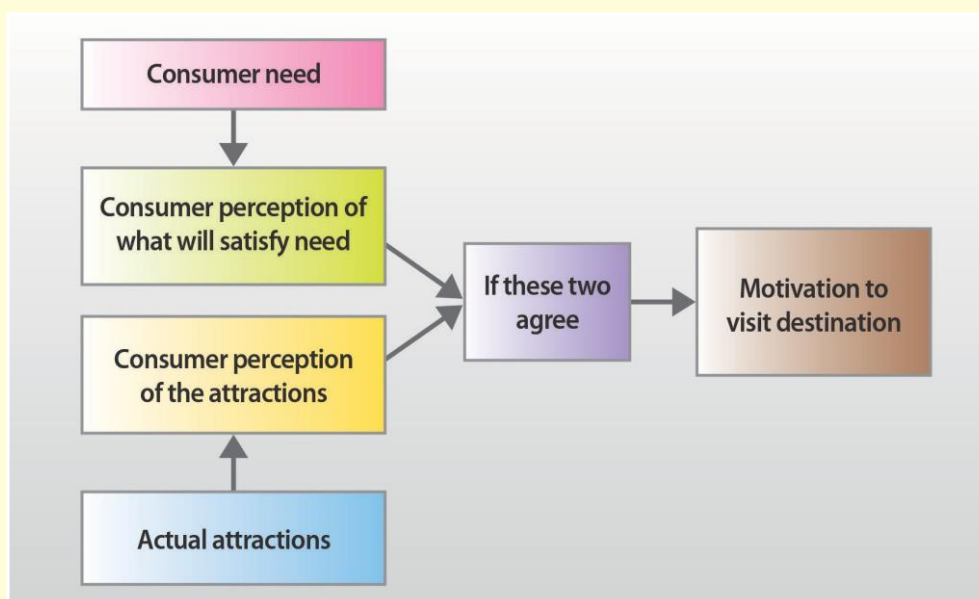


Figure 3.1 - The Motivations Process

Source: Holloway, J. C., & Humphreys, C. (2016). *The business of tourism* (Tenth edition.). Pearson Education Limited.



### 3) Travel Motivations to Travel Decisions

In general, the travel need of a person will lead to the formation of a travel motivation and further result in a travel action. However, in real life, the process from the formation of a travel motivation to the occurrence of an actual travel action is a complex one.

Travel motivation influences people's travel behavior in three ways:

- ◆ Travel motivation can initiate people's travel behavior. For example, people will plan to travel if they want to release stress.
- ◆ Travel motivation limits travel behavior. For example, people will prefer sun, sand and sea destination if they want to escape the cold.
- ◆ Changes in travel motivation will have impacts on tourism behavior. For example, some people preferred adventure travel when they were young. However when they get older, they may prefer leisure travel activities instead.

### 4) Factors that Influence Travel Motivations

The following shows some factors influencing one's travel motivations and decisions:

- *Income*

Travel is a kind of consumer behaviour, the ability to pay the various types of charges involved is of course necessary. When a person's income can only support his or her basic living needs, he or she will not form a motivation to go travelling.

- *Spare Time*

Spare time refers to the time that people can freely allocate to taking part in pastimes and entertainment or anything else they enjoy participating in after their daily work, study, living and other compulsory time commitments. Travel necessarily takes up a certain amount of time, and if a person cannot get away from official business and has no spare time to freely allocate and set aside for his or her own pastimes, he or she cannot go travelling. Therefore, spare time is an important condition for the realization of travel activities. Leisure time varies at different stages of life. For example, elderly may have more free time.





- *Sex, Age and Physical Condition*

The results of McGehee et al. (1996) indicated that females have stronger push motivation for cultural learning, prestige, family and kinship bonding, while males have stronger push motivation for sports participation and adventure seeking. In terms of age, the study conducted by Luo and Deng (2008) on Chinese tourists showed that a negative relationship exists between age and the motivation of novelty seeking, indicating that younger tourists tend to seek novelty more. Physical condition is also an important factor that influences travel psychology. For example, older people are limited by factors such as health and lack of strength. They will generally have a relatively large number of requirements relating to the travel destination, travel resources and the travel environment.

- *Psychological Factors*

Travel motivations are a form of individual psychological activity, and are inevitably influenced by various aspects such as individual interests, hobbies, profession, attitude to life, understanding of the surrounding environment and level of education.

- *Overall Development of the Tourism Industry*

It is only when the economy of a country or region is developed that it will have enough resources to improve and construct travel facilities, develop tourist attractions and promote transport development. Road transport facilities, accommodation, catering, and service standards at a destination are important factors in the tourists' choice of destination, and also affect their formation of travel motivations to a large degree, especially for tourists with relatively high hospitality expectations.

- *Group, Family and Social Atmosphere*

Group or social pressure can also influence people's travel motivations. For example, travel activities organized by enterprises, or travel awards, etc. encourage people to form their own travel motivations involuntarily, and travel activities subsequently take place.

Social surroundings can also influence people's travel motivations. Colleagues', friends' and relatives' travel behaviour and travel experiences can always influence others, or lead to the formation of a comparative psychology, making people form



identical travel motivations, and leading to the formation of a kind of imitative travel behaviour.

- *World Situation*

The geopolitical instability and terrorist attacks will affect the local tourism image and reduce the number of tourists visiting. In addition, the spread of the global epidemic will affect the desire to travel, hindering tourism activities and reducing tourists flow between countries.

- *Cultural Difference*

Whether the tourist destination is the same as the tourist's own culture will also affect their choices of destinations.

### 3.2. Theories of Travel Motivations

Different views about the concepts of travel motivations have been suggested by various scholars. Some examples are shown as below:

#### 1) Maslow – “Hierarchy of Needs”

Maslow (1971) distinguished five different levels of psychological needs ranging from physiological needs to self-actualization. According to his theory, satisfaction of people’s basic needs is a prerequisite for the satisfaction of the higher needs (Figure 3.2). Maslow argues that all behaviour is motivated by psychological needs, for behaviour serves to fulfill those needs.

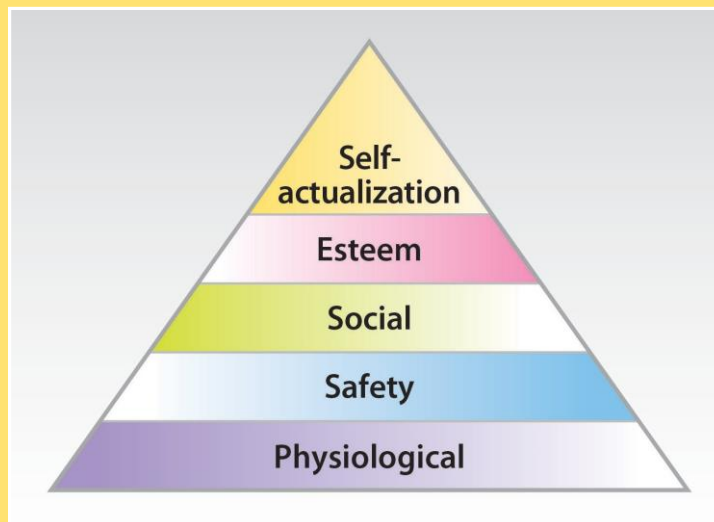


Figure 3.2 - Maslow's Hierarchy of Needs

#### Physiological needs

These are needs required by humans to sustain their existence and prolong their lives, and are the minimum basic needs, including needs relating to food, water, oxygen, sleep, a place to live and warmth, as well as clothing, food, shelter, mobility, sex and other psychological functions. If these needs cannot be fulfilled, human existence becomes a problem.

#### Safety needs

These are needs that represent human desires to protect their own bodies and minds from injury, and to guarantee safety and stability. For example, needs relating to health, a safe and orderly environment, a stable career and the avoidance of unforeseen accidents. When a person’s physiological needs have been fulfilled, he or she will want to fulfill such safety needs.



### *Belongingness and love needs/ Social needs*

Belongingness and love needs/ social needs include the need for love and a sense of belonging. The need for love refers to the fact that people all hope to achieve harmonious relationships with friends and colleagues or to maintain friendships; everyone wants to love others and be loved.

In addition, the need for a sense of belonging refers to the fact that people all want to have a sense of belonging, and want to gain the acceptance of a certain group and to be included and valued by it, as well as for its members to care for and look after each other.

### *Esteem needs*

These are human desires to gain other people's respect, a satisfactory status, due human rights, reputation and prestige, and to realize a certain social position.

### *Self-actualization needs*

These are human desires for the needs to give full play to one's own potential and to realize one's own ideals and aspirations, including the seeking of knowledge, the appreciation of beauty, creativity, achievements, etc. Maslow considered self-realization to be mankind's highest level of needs, which signify a full, enthusiastic, wholehearted experience of life.

## ***- Interpretation of Maslow's Theory in the context of Tourism Activity***

### *Physiological*

To fulfill the physiological needs of travellers, tour operators may designate frequent rest stops in the tour itinerary. The food and beverage outlets are located in easily accessible areas. Motels are designed along highways to provide shelter for travellers using automobile as their means of transport.

### *Safety*

To satisfy the safety needs of the travellers, tour operators provide guided services for exotic or unfamiliar locations. Also travellers tend to prefer making reservations or travel arrangements through government approval agencies or services.



### *Belongingness and love/Social*

Airlines, hotels, restaurants usually provide frequent-user programs to fulfill the belonging and love needs of travellers. As members of these organizations, travellers develop a sense of belonging towards these organizations. Travellers would join tours or groups with a similar interest and/or background. They may also like to join tours to explore one's ancestral roots.

### *Esteem*

The elite status of the frequent-user programs such as gold, silver, or bronze "membership" are established by the travel industry to fulfill the self-esteem needs of the travellers. In recognition of special occasions, travel organizations sometimes offer flowers and champagne to travellers.

### *Self-actualization*

Travellers join educational tours to fulfill their self-actualization needs. They may travel to testify their ability, such as climbing the Himalayas or achieving self-fulfillment by taking educational tours, etc.

Source: Maslow, A. H. (1954). *Motivation and personality*. Harper.

### **Extended Activity**

According to Maslow's Theory of Needs, list travel products that can fulfill each need. Then try to find a kind of travel product that can fulfill multiple levels of needs.





## 2) Hudman's Motivators of Travel

Hudman's (1980) motivators of travel are listed below:

### Health

People travel for improving their health. They would go for leisure and medical treatment to relax and entertain themselves. Natural landscapes, historical sites, coastline, spa and resort are the destinations of these travellers.

Health can be both physical health, as found in spa and wellness resorts or for mental health, as typified by holidays that stimulate the person.

### Curiosity

People travel because of curiosity, inquisitiveness and adventure. Politics, culture, public figures, physical features and disaster would attract these travellers.

### Sports

People travel for sports to release their pressure and fantasize about being an athlete. Being a spectator could experience the atmosphere of the competition, and have social contributions such as connecting with other audience and meet new friends.

### Pleasure

Vacation relates to pleasure because it could give routine life a break. People would try new things and participate in activities that would make them feel happy, such as visiting art museums, watching operas and shopping etc.

### Religious and spiritual appreciation

People travel for spiritual needs. They visit religious headquarters usually because of religious reasons. In this way they could have a stronger belief in their religion. On the other hand, many travellers gain satisfaction by appreciation of natural landscapes, art performances, and visiting museums and historical sites.

### Professional and business

People travel for business such as scientific expeditions, business meetings, conventions and education.



## Friends and relatives

People travel because they want to visit their friends and relatives; it shows their care of family and friends.

## Esteem

Many people travel for gaining respect from others and a satisfying social status because one with plenty of travel experience and knowledge of different countries is usually admired by others.

MOTIVATORS OF TRAVEL		
<b>Health</b>	<i>Spectator</i>	Religious headquarters
Physical	Football	Historical sites
Mental	Baseball	Drama and musical productions
<b>Curiosity</b>	Track and field	<b>Professional and Business</b>
Cultures	Horseracing	Scientific expeditions
Politics	<b>Pleasure</b>	Conventions
Society or public figures	Travel	Business travel
Physical features	Art	Education
Disasters	Music	<b>Friends and Relatives</b>
<b>Sports</b>	Entertaining	<b>Roots Syndrome</b>
<i>Participating</i>	Gambling	Homeland
Hunting and fishing	Honeymoon	Family research
Golf and tennis	<b>Spiritual or Religious</b>	<b>Esteem</b>
Team competition	Pilgrimages	
	Meetings	

Source: Lloyd E. Hudman, *Tourism: A Shrinking World* (Columbus, OH: Grid, 1980).

Table 3.1 - Hudman's Motivators of Travel

Source: Hudman, L. E. (1980). *Tourism: a shrinking world*. Wiley.



### 3) The Push-and Pull Theory

In 1977, Dann, a U.S. academic, put forward the push-pull theory of travel motivations. He considered that travel behaviour was influenced by both push factors and pull factors. Basically, push factors are psychological needs which cause a person to want to travel, while pull factors are features of the destination that can satisfy that need.

#### Push factors

These are internal or intangible factors that lead to the formation of travel desires among potential tourists. Anything that can relieve and fulfill tourists' desires can thus become a focus or target. Push factors can be specific or general. A specific push factor might be the desire to spend time with a grandparent who lives in a different city. A general push factor might include the desire to have a break from work or study. The more specific the push factor, the fewer destination choices are available to satisfy the need, while more general push factors can be satisfied at a larger number of destinations.

#### Pull factors

Pull factors influence where tourists go. They represent the features of a destination that are attractive or have drawing power. Tourists form pull-type travel motivations on the basis of their perception, expectation and knowledge of destinations.

Examples of push and pull factors are shown in Table 3.2 below:

Interpretation of Push and Pull Factors Often Used in Travel Motivation Research	
Push factors	Pull factors
<ol style="list-style-type: none"> <li>1. To see culture and history, admire beautiful</li> <li>2. Increase knowledge</li> <li>3. Experience different lifestyles</li> <li>4. Fulfill one's travel dreams</li> <li>5. Visit family and friends</li> <li>6. Be together with family members or friends</li> <li>7. Establish friendships, develop relationships</li> <li>8. Escape day-to-day life</li> </ol>	<ol style="list-style-type: none"> <li>1. Tourism products, tourism charges</li> <li>2. Distinctive lifestyles at one's destination</li> <li>3. Interesting nightlife</li> <li>4. All kinds of good food</li> <li>5. Convenient transport</li> <li>6. Accommodation, sports facilities, and information</li> <li>7. Quality of service</li> <li>8. Abundant historical and cultural resources, beautiful scenery, sunshine and comfortable weather</li> </ol>



# Introduction to TOURISM

## Travel Motivations and Tourist Flows

9. Rest and relax body and mind
10. Relieve work pressure
11. Seek stimulation and excitement
12. Physical challenges
13. Get close to and understand nature
14. See different things

9. Safety
10. International metropolises
11. Peace, hygiene, comfort
12. Familiarity
13. It's a good place to understand nature

Table 3.2 - Push and Pull Factors Often Used

Source: Wu, Q. J. (2006). *Tourism consumer behaviour*. Tourism Education Press.

### - Push and Pull Theory in One's Travel Experience

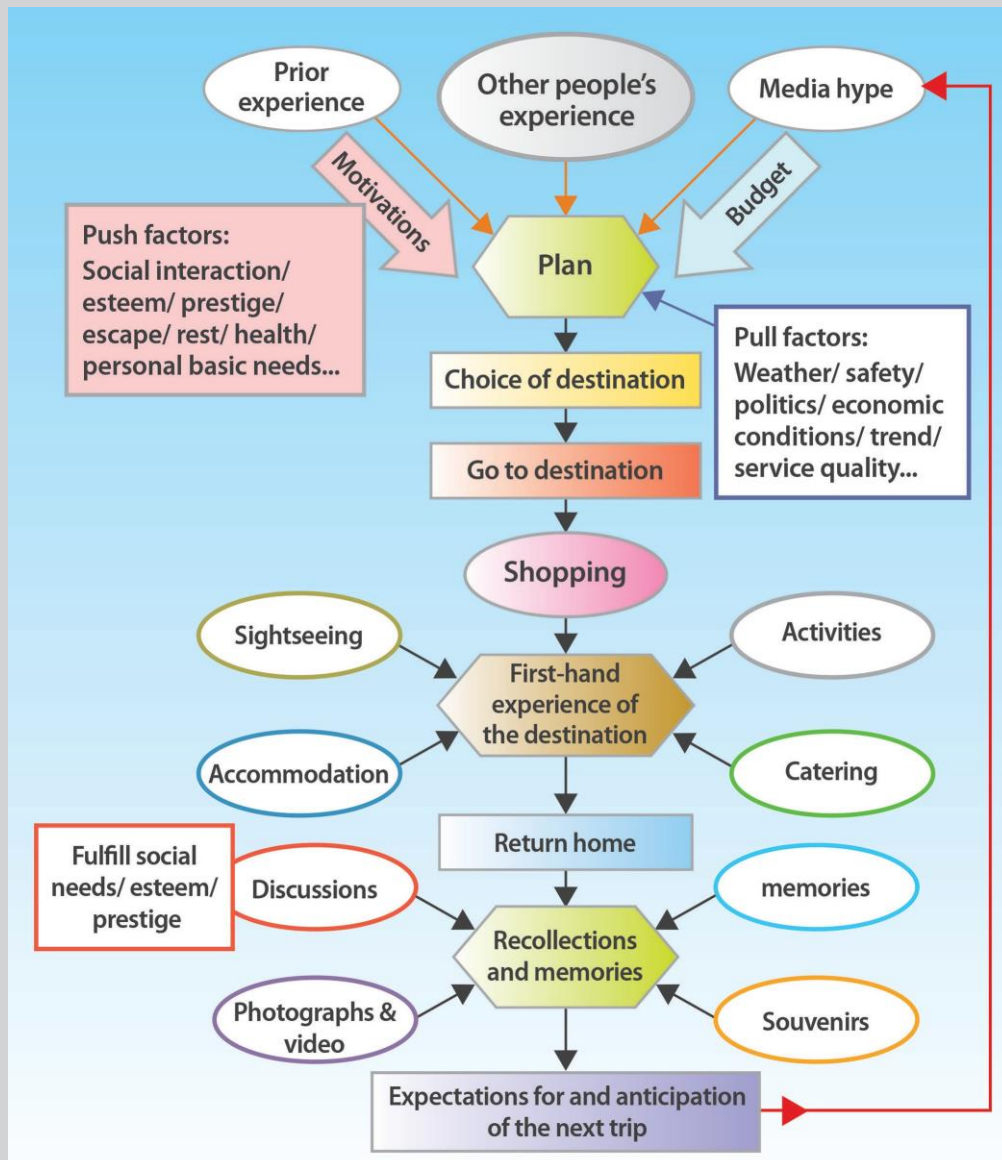


Table 3.2 - Push and Pull Factors Often Used



## Activity 3.1

### Application of Push and Pull Theory - West Kowloon Cultural District

The West Kowloon Cultural District is a growing arts and cultural hub with performance and exhibition centres, green open spaces, a growing selection of cafes and restaurants, and a waterfront promenade perfect for enjoying sunset views and evening strolls. The district stretches from MTR Austin Station to the waterfront west of MTR Kowloon Station, and all venues are within easy distance of public transport.

#### Hong Kong Palace Museum

- presents over 900 priceless treasures from the Palace Museum. Many of them are on display in Hong Kong for the first time, while others have never been shown to the public before

#### M+

- Asia's first global museum of contemporary visual culture, features collections spanning 20<sup>th</sup>- and 21<sup>st</sup>-century visual art, design and architecture, moving image and Hong Kong visual culture

#### The Art Park

- the pet-friendly park is a vibrant venue for open-air performances, exhibitions and other cultural events, and home to occasional street performers, a gourmet food truck and multiple restaurants and cafes
- can also rent a Smart Bike to explore the pathways, or relax in the cool timber structure of the Competition Pavilion - the perfect spot for taking a break in the shade or capturing IG-worthy images

#### Freespace

- located in the heart of the Art Park, presenting multi-genre performances and events, and showcases emerging and established artists from Hong Kong and around the world
- houses Hong Kong's largest black box theatre, The Box, and Lau Bak Livehouse — an intimate bar and performance space featuring regular weekend programmes of live music and cultural events, and a full menu of delicious food and craft beer

#### Xiqu Centre

- The Grand Theatre offers world-class performances by some of the best troupes in the region
- The Tea House Theatre offers an intimate experience that is perfect for visitors and audiences new to the art form. The regular programme of special 90-minute introductory performances by the resident Rising Stars Tea House Troupe, features a selection of excerpted performances, expert narration, and a complimentary serving of tea and dim sum

Source:

<https://www.westkowloon.hk/en/hong-kong-palace-museum-exhibitions#overview>

<https://www.discoverhongkong.com/eng/explore/arts/west-kowloon-cultural-district.html>





With reference to West Kowloon Cultural District, identify three push factors and match each one with a relevant pull factor. Explain why they match.

Push factor of tourist	Pull factor of West Kowloon Cultural District	Explanation



### Suggested answers:

Push factor of tourist	Pull factor of West Kowloon Cultural District	Explanation
Desire to escape from day-to-day life	Beautiful scenery	The push to escape from day-to-day life to a place with beautiful scenery can be met by the pull feature of the West Kowloon Cultural District as there is a waterfront promenade perfect for enjoying sunset views and evening strolls.
Exploration/ Increase knowledge	Interpretation and knowledge learning opportunities	Through visiting Hong Kong Palace Museum, tourists can learn the Chinese history through priceless treasures and satisfy their desire to learn and explore.
Social interaction/ get closer to family and friends	Ease of access/ Convenient transport	The West Kowloon Cultural District is easily accessible with all venues within easy distance of public transport, providing an opportunity for families with young children to share a unique quality experience with each other.
Curiosity	A new attraction	West Kowloon Cultural District is a relatively new attraction.

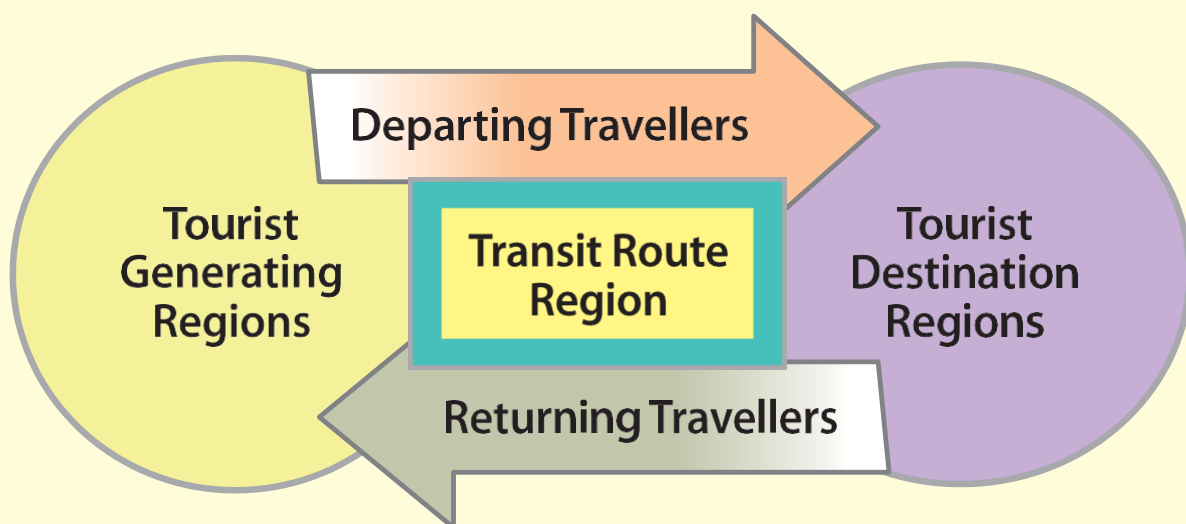
### 3.3. The Concept of Tourist Flows

Finally, we will look at why people travel with respect to the concept of tourist flows.

The push and pull theory (as mentioned in the earlier section) can be used in explaining travel patterns, and travel patterns could be considered as tourist flows.

‘Tourist flows’ refers to the statistical measure of the volume and direction of movement of tourists into or out of a destination for a given period of time or as a trend.

It is a form of spatial interaction between two areas with the destination area containing a surplus of a commodity such as tourist attractions (pull factors) and the generating area having a deficit, or demand for that commodity (push factors).



- The Transit Route Region represents the time of travel to reach the destination and the intermediate places which may be visited along the way.




Figure 3.4 - Model of Tourist Flows

Source: Cooper, C. P., & Shepherd, R. (1998). *Tourism: principles and practice* (2nd ed.). Longman.



## Types of Itineraries Based on the Concept of Tourist Flows

The types of itineraries tourists follow can be grouped into 4 broad themes.

Types of Itineraries Based on the Concept of Tourist Flows		
There and back trips	 <p>Single destination, with or without other side legs</p>	<p>It is the simplest itinerary type involving a single destination, there-and-back trip that may or may not include side trips to other places along the way. Tourists visit a single destination and return home using the same route.</p> <p>Example: A person from Hong Kong takes a train to and from Guangzhou.</p>
Transit leg and circle tour	 <p>Use one major destination as a transit point</p>	<p>This type of itinerary involves a transit leg to one major destination, and from there starting a circle tour visiting other places within the destination area and stopping overnight at different places. After finishing the touring loop, they return home through the most direct route between that major destination and home.</p> <p>Example: A person flies to and from Hong Kong from London and then takes a three week circle tour of Mainland.</p>
Circle tour	 <p>Multiple destinations, none of which have a core stopover</p>	<p>Tourists go through several destinations without any repetition while none of which have a core stopover. Tourists take different routes to and from their home communities.</p> <p>Example: A tourist from Hong Kong travels to Shanghai along the coast and then returns by different inland route.</p>



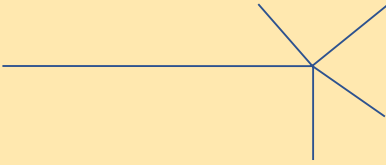
<p>Hub and spoke</p>	 <p>Take advantage of the geographical advantages of major destinations for short-term tours around the area</p>	<p>Tourists start from home and travel to one main destination, taking advantage of the geographical advantages of the main destination and making it the 'base camp' for further overnight visits to other destinations within that particular destination area.</p> <p>Example: A long haul tourist comes to Hong Kong first, and then does an overnight trip in Macau and returns to Hong Kong to stay overnight. After these, the tourist takes another overnight trip to visit the theme parks in Shenzhen. The tourist then returns to Hong Kong and spends the rest of the trip in Hong Kong and then return home.</p>
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Figure 3.5 - Types of Itineraries Based on the Concept of Tourist Flows

Source: McKercher, B., & Zoltan, J. (2014). Tourist Flows and Spatial Behavior. In *The Wiley Blackwell Companion to Tourism* (pp. 33-44). John Wiley & Sons, Ltd.





## Factors Influencing Patterns of Tourist Flows

### 1) Factors Related to Tourist Destination Region

The attractiveness of tourist destination regions (pull factors) can affect the tourist flows and some related factors are discussed as follows:



- *Natural and man-made attractions*

Tourist flow will be strong if one place can provide the attractions (e.g. beaches, landscapes or historic resources) that the other place lacks.

- *Climate*

There is a general trend of travel towards places of better (i.e. warmer, sunnier or drier) climatic conditions.

- *Political, cultural and business ties*

Other things being equal, travel is more likely to occur between places with stronger political (e.g. friendly relationships between countries, shared political system), cultural (e.g. common language and religion) or business ties.

- *Relative costs (cost of living and exchange rates)*

If two places have significantly different costs of living, tourist flow will be encouraged from the more expensive place to the place with lower living cost.



- *New cultural experience*

Many tourists are interested in experiencing a culture which differs from their own. Therefore, the culture of a host population is an important factor of attracting tourists to a particular destination.

- *Attitude of the host community (perception of destination image)*

Positive attitude of the host community towards tourism may increase tourist flow (attitude of the host community depends on how they perceive the impacts brought about by tourism).

- *Trend in Tourism*

Tourism demand is easily affected by the changing trend. Some tourist destinations become more popular while others decline in popularity.



## - *Government control*

The government's immigration and foreign exchange policies have different impacts on tourism:

- currency control; and
- the necessity of obtaining visas.

## - *Transport*

Tourism between places will be encouraged where good transport infrastructure exists. Tourism will flourish particularly when travel between places can take place without a change of mode of transport.

## - *Location of destination*

Tourist flow towards destinations on major transport routes will be stronger, e.g. Hong Kong lies in the major transport routes between the Mainland, Europe and North America.

The above discussion of destination-related factors shows that if the characteristics of a tourist destination are more attractive (pulling factors) to tourists, its tourist flow will also be greater.

## 2) Factors Related to Tourist Generating Region

### - *Income*

People with better jobs and higher income have greater demand for traveling. The frequency of traveling increases as income increases.

### - *Employment*

Those secured in their jobs are more likely to travel than those unemployed. Under normal circumstances, people with employment uncertainty will have more domestic holidays, but less overseas holidays and shorter length of stay.

### - *Holiday entitlement and time availability*

The longer the paid leave people get, the greater distance they are likely to travel. In general, people with more free time travel more.

### - *Education level*

Differences in education level affect the types of new experiences a person is willing to accept. People with a high level of education generally earn more money and are of higher social status. They usually travel a lot more.



*Moreover, some push factors, such as:*

- *escape*
- *rest and relaxation*
- *social interaction*
- *prestige*
- *seek stimulation and excitement, etc*

also affect the intention of tourists from their place of origin to travel, and thus affect the tourist flow.



## Activity 3.2

### Case Study

Mr. Lee, a Tourism and Hospitality teacher, is planning to spend two weeks travelling during the summer holidays to escape the sweltering heat in Hong Kong. He visited Australia last summer, so he hopes to go somewhere else this time, and his travel budget is around HK\$25,000. Select a tourist destination that suits Mr. Lee's requirements, and use the tourist flow factors to explain why you chose this destination, and attach any relevant information about the destination.

# Tourism Products – Attractions and Destination





## 4.1. Tourism Products

### 1) Scope of Tourism Products

Tourism products are various. They include air passenger transport, rail transport, ferry transport, accommodation services, catering services, meeting and tourist attraction activities, etc. Tourism products are a kind of service, and consumers differentiate between tourism products provided by different providers on the basis of their own feelings about service quality when making their purchasing decisions. Therefore, tourism providers must pay attention to consumers' views on tourism services and improve clients' level of satisfaction.

### 2) The Characteristics of Tourism Products

Tourism products are intangible, are produced and consumed at the same time, can be differentiated from each other, are non-storable, are mutually complementary, and the ownership rights in them are non-transferable, etc. Each characteristic will influence consumer behaviour.

#### Intangible Nature

Tourists can never see, hear, taste or touch tourism products before they buy them. This is because what they purchase are the experiences travel gives them, including taking the plane, staying in hotels, visiting museums, enjoying drama performances, taking tourist boat trips, seeing famous mountains and great rivers, having fun, and relaxing in clubs, etc.

After enjoying such services, tourists can only retain these experiences in their memory, and have no way of acquiring physical ownership. Even where tourism products require the use of tangible purchases to complete the service process, such as for food and beverages, they do not in any sense represent the ultimate goal of tourists who buy tourism products. Tourists hope to achieve intangible goals such as happiness, excitement, relaxation, etc., through their travel experiences.

#### The Inseparability of Production and Consumption

When organizations in the tourism industry provide services to tourists, this is the exact moment that tourists consume such services, and the two cannot be separated in terms of time. For example, when an airplane is in flight, the passengers





are consuming flight services at the same time; when a hotel sells a hotel room to a guest for the night, the guest utilizes the hotel's room service at the same time.

### Variability

This means that the elements that make up tourism products and their quality standards are difficult to be controlled in a unified manner. This is because the core of tourism products is to serve people, even when a tourism enterprise can clearly regulate behavioural standards when service staff are in a certain kind of service situation, the work experiences, personal characteristics and work attitudes of staff will all be different. Because of this, services provided by different service staff in the same environment can never be completely the same.

In addition, the superiority or inferiority of tourism products is not only related to the service attitude and ability of service staff, but is also related to consumers. As tourists directly participate in the production and consumption of services, their differences in tourists' knowledge, experience, interests and hobbies all contribute to differences in service quality and satisfaction.

### Perishability

Tourism products cannot be stored like physical products and prepared for sale in the future. Unoccupied hotel rooms or unsold airline tickets have forever lost their chances to be sold. For example, airline companies have no way of storing up spare seats on night time flights to be used to cope with crowded morning or afternoon flights.



### Complementarity

Tourism is made up of activities such as eating, accommodation, travel, entertainment and touring. Generally speaking, every trip requires the purchase of tourism services provided by various tourism organizations. For example, business travellers, in addition to buying air tickets, also have to pay for taxi transport services, meals and refreshments, and accommodation services provided by hotels. Because of this, one tourism product will always be affected by the elements of other tourism

products. For example, when a famous hot springs tourist attraction becomes less popular, the number of tourists who go to restaurants and shops near the hot springs will also fall, and business on flights to the hot springs tourist attraction will also be affected. Although these products are not from the same organization, they are nevertheless closely linked with each other, and this type of relationship is called complementarity.

### Temporary ownership

This refers to the fact that it is only when services are purchased that activities can be enjoyed or equipment can be used. Tourists will only acquire an experience, but not the ownership of the product. For example, after flying on a plane, a traveller is transported from one place to another, after which he or she acquires nothing other than an air ticket.



Source: Wu, Q. J. (2006). *Tourism consumer Behaviour*. Tourism Education Press.

## 4.2. Planning of Tourism Products and Destinations

### 4.2.1. Product Life Cycle (PLC) and Its Applications in Tourism

#### 1) Product Life Cycle (PLC)

The concept of PLC was originally used to describe the lifetime of manufactured products and has been increasingly applied in service and tourism as an explanatory tool. A standard PLC includes four different stages with their characteristics as shown in Figure 4.1 below:

(i) *Introduction*      (ii) *Growths*      (iii) *Maturity*      (iv) *Deline*

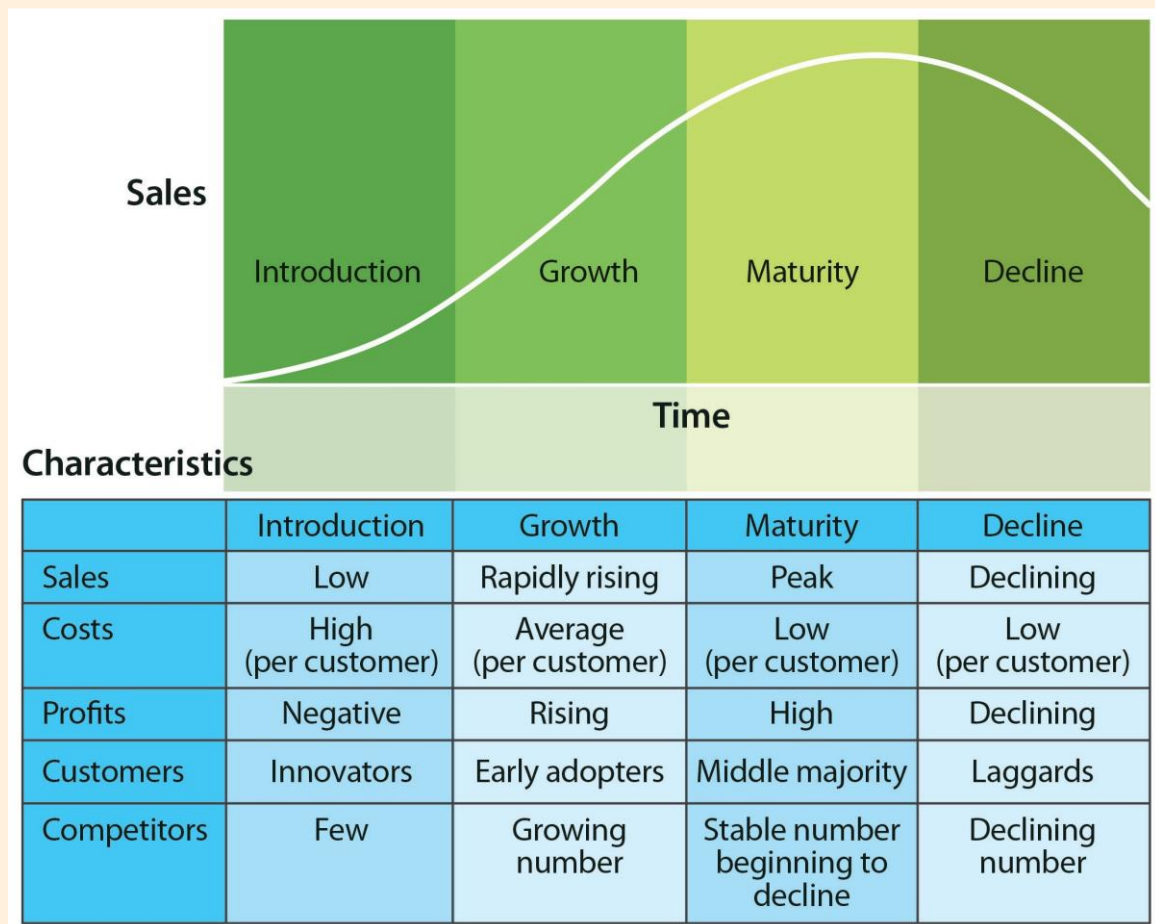


Figure 4.1 - Product Life Cycle

Source: Kotler, P. (1997). *Marketing management: analysis, planning, implementation, and control* (9th ed.). Prentice Hall.



## 2) Application of PLC – Analyzing a Tourism Product

Tourism product is a complex mixture of services and goods consumed by tourists (Holloway, 1989). Some considered it as a bundle of activities, services and benefits that constitute the entire tourism experience. Basically, classical evolutionary phases of PLC could also be applied to describe the evolution process of tourism products. Instead of the standard 4 PLC stages – ‘1 - introduction’, ‘2 - growth’ ‘3 - maturity’ and ‘4 - decline’, some suggested that the life cycles of tourism products should have more stages which give better descriptions of all kinds of products in the tourism sector. One version of life cycle for tourism products is suggested by Rusu & Sabau (2008) which differs from the traditional PLC by adding one more stage ‘Stage 0 – (product) development’ before the stage of introduction. It describes the stage in which ideas of products are generated till the moment of the formation of the final products. Figure 4.2 shows the 5-stage product life cycle of tourism products:

- Stage 0: (Product) Development
- Stage 1: Introduction
- Stage 2: Growth
- Stage 3: Maturity
- Stage 4: Decline

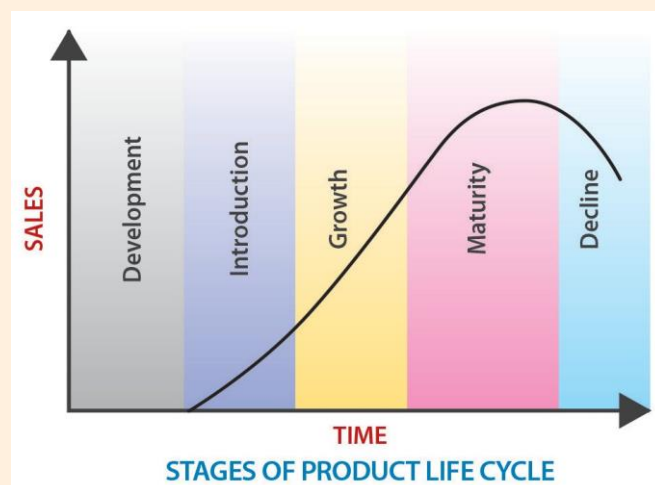


Figure 4.2 - '5-Stage' Product Life Cycle

In fact, the actual PLC of a tourism product can be quite different from the typical ones as shown in Figure 4.1 and 4.2. It is always affected by many internal and external factors similar to other general products. Internal factors could be the aging of a tourism product which leads to a decline in its attractiveness, poor management or marketing activities, etc. External factors could be any issues relating to social, cultural, political and technological environment.





Taking Disneyland Paris as an example, Figure 4.3 shows the business performance of the theme park in term of its attendance since its opening in year 1992.

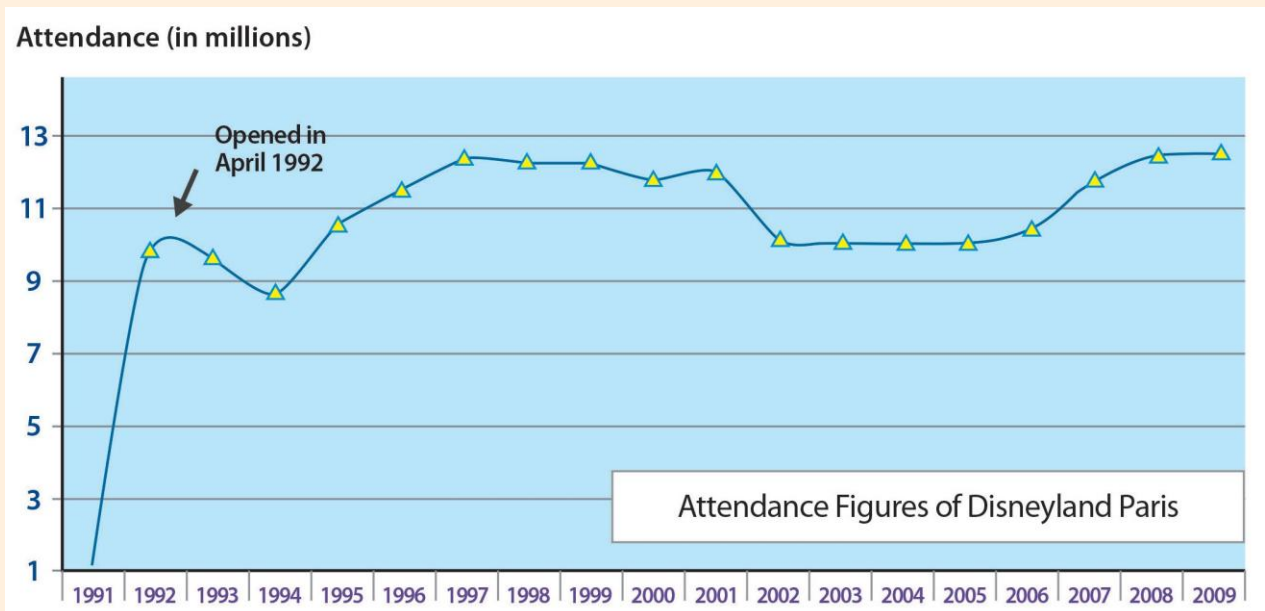


Figure 4.3 - Attendance Figure of Disneyland Paris

Different from a typical PLC, the sales volume as reflected by the attendance in the introduction stage of Disneyland Paris (starting from its opening in 1992), showed a significant decline instead of a 'growth' pattern. Such a decline was mainly due to various internal and external factors. Some examples of factors are listed follow:

Internal Factors	External Factors
<ul style="list-style-type: none"> <li>• High admission fees;</li> <li>• Alcohol consumption were not allowed in the theme park;</li> <li>• No outside-food was allowed;</li> <li>• High staff turnover rate at the beginning stage which led to poor quality of service to tourists</li> </ul>	<ul style="list-style-type: none"> <li>• Coincided with a major recession in Western Europe;</li> <li>• Unfavorable weather: cold, wet weather for part of the year;</li> <li>• European people disliked the influence of American culture</li> </ul>

Table 4.1 - Factors Affecting the Performance of Disneyland Paris in Its Introduction Stage

Source: Middleton, V. T. C., Fyall, A., & Morgan, M. (2009). *Marketing in travel and tourism* (4th ed.). Butterworth-Heinemann.



Besides the concerns as mentioned above, it should also be aware that the factor of 'seasonality', as a unique characteristic of tourism products, would also affect their general patterns of life cycle. For example, leisure travelers usually have their preferred times in joining a tour to Japan in every calendar year. Some examples of high seasons for joining tours to Japan can be referred to Table 4.2 below:

High Seasons	Main Reasons of Travel
March - April	Blooming of Cherry Blossoms (Sakura)
July - August	Summer Sale Season
December - January	Winter Sale Season

Table 4.2 - High Seasons of Traveling to Japan

Because of the effect of 'seasonality' as mentioned in the above example, the PLCs of some tourism products could be quite complicated and may not follow the evolution pattern as shown in Figure 4.1. In most cases, travel agents will adjust their products in order to smooth the seasonal pattern. For example, lowering the package prices or giving discounts to customers to attract more businesses during the low season. And it can be expected that a tourism product with no modification, e.g. a tour package, will repeat its unique PLC in every single calendar year until its disappearance in the tourism market.



## Activity 4.1

### Case Study - Analyzing the Performance of Hong Kong Ocean Park

Table 4.3 shows the overall attendance of Ocean Park from the period of 2009 to 2021.

Fiscal Year (July-June of next year)	Overall Attendance (in million)
2009 - 2010	5.1
2010 - 2011	5.9
2011 - 2012	7.1
2012 - 2013	7.7
2013 - 2014	7.6
2014 - 2015	7.4
2015 - 2016	6.0
2016 - 2017	5.8
2017 - 2018	5.8
2018 - 2019	5.7
2019 - 2020	2.2
2020 - 2021	1.4

Table 4.3 - Overall Attendance of Ocean Park from the Period of 2009 to 2021

#### Questions:

- According to the figures provided in Table 4.3, identify the stage of product life cycle that Ocean Park was in from the period of 2015 to 2021.
- Suggest one internal factor and two external factors leading Ocean Park to the stage in (a).
- Refer to 'Proposed Way Forward for Ocean Park'  
(Link: [https://gia.info.gov.hk/general/202101/18/P2021011800237\\_358915\\_1\\_1610947000993.pdf](https://gia.info.gov.hk/general/202101/18/P2021011800237_358915_1_1610947000993.pdf)), identify three strategies Ocean Park adopts to relaunch its product.



## Suggested answers:

### a) Decline

### b) Internal factors:

- Improper management
- Aging/ out-of-fashion facilities

### External factors:

- Increasing competition from other theme parks
- Outbreak of Covid-19 pandemic

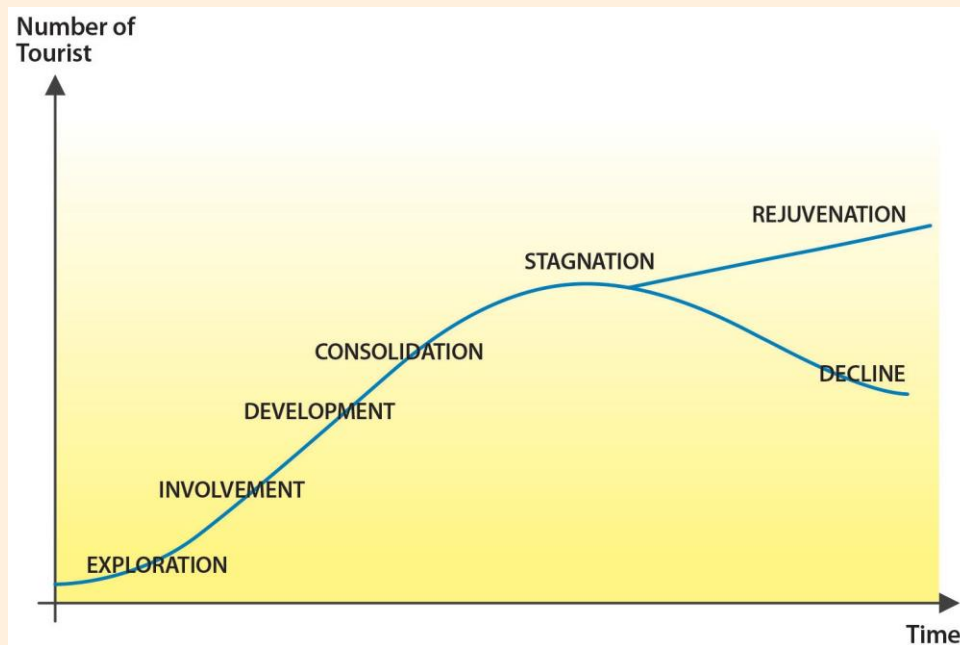
### c) Strategies:

- A number of attractions in the lower park area which are coming into the end of their useful life in the next three to five years to be phased out in order to free up space for creating an open air RDE (A new non-ticketed retail, dining, and entertainment) destination for all age groups;
- More investments on conserving local and endangered species in Ocean Park;
- The existing core attraction zone at the upper park area to be upgraded or re-themed, including improvement of navigational signs and incorporation of storytelling elements to enhance the zone's relevance to conservation and education;
- Some aged thrill rides in the upper park area to be phased out to make room for a new adventure-themed zone;
- Provide space for wellness-themed activities



### 3) Application of PLC – Analyzing a Destination

The application of the Product Life Cycle (PLC) in analyzing a destination was firstly suggested by Butler (1980). He argued that it is possible to trace a cycle of evolution for destinations that is similar to the PLC as what being called - 'Destination Life Cycle'. As a kind of tourism products, a destination usually goes through six major stages which differ from the '4-stage' PLC mentioned above. Figure 4.4 shows the 'Destination Life Cycle' which describe the process of how a destination undergoes a cycle of evolution.



Source : Butler, R. W. (1980). The concept of a tourist area cycle of evolution implications for management of resources, *Canadian Geographer*, 24, 5-12.

Table 4.4 is a summary of destination characteristics in different stages of the 'Destination Life Cycle', followed by their detailed explanations.

Stage	Characteristic
Exploration	<ul style="list-style-type: none"> <li>• Few explorers or drifters, visiting sites with no public facilities</li> <li>• Visitors attracted to the destination by a natural physical feature</li> <li>• Specific visitor type of a select nature</li> </ul>



<b>Involvement</b>	<ul style="list-style-type: none"><li>• Limited interaction between local residents and the developing tourism industry leads to the provision of basic services</li><li>• Increased advertising induces a definable pattern of seasonal variation</li><li>• Definite market are begins to emerge</li></ul>
<b>Development</b>	<ul style="list-style-type: none"><li>• Development of additional tourist facilities and increased promotional efforts</li><li>• Greater control of the tourist trade by outsiders</li><li>• Number of tourists at peak periods far outweighs the size of the resident population, inducing rising antagonism by the latter towards the former</li></ul>
<b>Consolidation</b>	<ul style="list-style-type: none"><li>• Tourism has become a major part of the local economy, but growth rates have begun to level off</li><li>• A well-delineated business district has taken shape</li><li>• Some of the older deteriorating facilities becomes less attractive to visitors</li><li>• Local efforts are made to extend the tourist season</li></ul>
<b>Stagnation</b>	<ul style="list-style-type: none"><li>• Peak numbers of tourists and capacity levels are reached</li><li>• The destination has a well-established image, but it is no longer in fashion</li></ul>
<b>Post-stagnation</b>	<ul style="list-style-type: none"><li>• Five possibilities, reflecting a range of options that may be followed, depending partly on the success of local management decisions. At either extreme are rejuvenation and decline</li></ul>

Table 4.4 - Characteristics of Destinations in Different Stages of the Destination Life Cycle

Source: Agarwal, S. (1997). The resort cycle and seaside tourism: an assessment of its applicability and validity. *Tourism Management* (1982), 18(2), 65-73.

## (i) Exploration

During the exploration phase, drifters discover a destination. They come in very small numbers and accept local conditions. Contact between hosts and tourists is mutually satisfactory, so the euphoria level on the Doxey scale applies. In this phase no disruption of local society occurs. No tourism facilities or accommodation are available. Although relationships between hosts and guests may be intense, overall impacts are small because numbers are small. Usually leakages from the local economic system are small, since most food and building materials, to name a few examples, are produced locally.





### *(ii) Involvement*

Once the local population notices that tourism can be (financially) beneficial to them, local initiatives may be employed to build facilities and accommodation. This is the start of the involvement phase. Developments in this phase are usually quite slow, because of social or financial constraints. The destination's destiny is still firmly in local hands.

The phase of involvement involves a marked increase in the number of tourists. Tourists of the drifter type are replaced by explorers. These explorers revel in local conditions. Relationships between hosts and guests, although a little more formalized, are still personal and the scale of tourism and its growth rate are still manageable. Economic benefits per tourist can be quite large, since leakages are small.

### *(iii) Development*

Take-off for the destination occurs in the development phase. Local people see opportunities for further growth of the tourism industry. However, not enough knowledge and investment capital are available within the region to fully capture the opportunities. Several solutions are possible to this problem. If sustained organic growth is regarded as desirable, tourism development is usually constrained financially. This means that development will be slow in terms of tourists and expenditure. However, impacts are also likely to be limited.

Another strategy is to aim at maximum tourism growth, which can only be achieved with the help of experts and money from outside the region. The construction of new facilities and accommodations make a rapid growth of tourist numbers possible. More tourist spending will occur. Together with numbers, the nature of the tourists will change. The maximum growth strategy has some serious drawbacks. Usually the necessary investors are financially strong and very competitive. Therefore, they are usually able to negotiate important advantages. For example, local authorities can be forced to give tax holidays or to build some infrastructural facilities.

Moreover, environmental protection systems often cannot keep up with rapid tourism development. Many problems occur with waste disposal systems, such as sewage systems. It also tends to be difficult to control tourism development physically. Often, the main tourist attractions are natural resources. It is very attractive for investors to build



facilities close to the attractions. Often this wish is not consistent with environmental protection policy.

Many things change in a socio-cultural way as well. Local control over development greatly diminishes because ownership and management is in foreign hands. Very quick development leads to a large demand for labour, which may induce immigration or disruption of other sectors. As the industry expands, people begin to take the tourist for granted. He gradually becomes a target for profit-taking and contact on the personal level formalises. This is Doxey's apathy phase. Cultural shift becomes apparent.

#### (iv) Consolidation

When arriving at the consolidation phase enough facilities and accommodations are available to receive early mass tourists. These tourists come in a steady flow and look for Western amenities. In the consolidation phase tourism has become institutionalized. The destination has become a product which is marketed by international tour operators. Local control has diminished even further.

In economic terms, both initial tourist expenditure and leakages may be considerable. Because of the sheer number of tourists, much money enters the economy. However, much of the Western amenities these tourists look for are likely to be imports. And much of the profits and wages earned by foreign employees and companies leaks back to the metropolitan areas of the developed world.

Local support for tourism development may diminish because serious social and environmental impacts become apparent, while the economic benefits may be disappointing. In the Bjorkland diagram, this means a shift away from the "active promotion" response to tourism development.

Unlike in the development phase, in the consolidation phase it is not so much the growth rates that cause problems, but sheer numbers of tourists. These may cause large problems of congestion and may overwhelm any local cultural event, indicating the irritation phase on Doxey's index of tourist irritation.

Because of the large number of tourists, substantial damage can be done to the natural environment as well. Transport emissions and emissions from tourist facilities and accommodations can be quite high, although the initial capacity problems may have



been partly resolved.

However, tourist interests can also aid conservation of natural and cultural resources. This can occur by pressure from the tourism industry or by gifts or entrance fees from the tourists themselves.

#### (v) Stagnation

Tourist numbers are highest in the stagnation stage, although growth rates are low. In this stage massive numbers of tourists come on fully standardized packages and they expect Western amenities. To be able to offer these, a destination often separates tourist resorts from the local population. For the tourists, a so-called “environmental bubble” is created in which the tourists can feel at home and safe. However, this separation may have serious consequences for the host population. Often, for example, use of beaches is restricted to tourists.

Contact between hosts and tourists is highly institutionalized. Hosts and tourists only meet at scheduled moments along the itinerary which the tour operator has planned. The increasing distance between tourists and the host population may give rise to the formation of caricaturistic images of each other. The characteristics of Doxey’s stage of antagonism may apply, in which irritations become more overt and the tourist is seen as the harbinger of all that is bad (Prosser, 1994).

The economic benefits may gradually decrease. On the one hand, initial expenditure – at least per tourist – can be expected to decrease due to bargaining by the tour operators. On the other hand, leakages are expected to increase. Control is now firm in the hands of foreigners, who tend to repatriate important shares of their profits and wages.

#### (vi) Decline / rejuvenation

After the stagnation stage the succession of tourist types, from drifter to organized mass tourist, has come to an end. Often, this means that tourists and the tourism industry lose interest in the destination. As growth comes to a standstill, so does investment.

Now several scenarios can be imagined, such as decline and rejuvenation. In the decline scenario, the destination does not succeed in changing its image. Tourist



numbers will decrease and investors move on, using the destination as a cash-cow. They try to squeeze as much money out of it without investing in improvement.

So, in economic terms, benefits from tourism are significantly declining. People realize that their culture and the environment have changed irreversibly and that it is too late to do something about it. Doxey's so-called final level of tourist irritation may apply in such a case.

Another possible scenario is rejuvenation in which the destination tries to reposition itself in the tourism market. A destination may for example decide to offer more possibilities for an active vacation, whereas the focus used to be on quite passive vacations by the elderly.

#### 4) Purposes of Analyzing the PLCs of Destinations

The main utility of the product life cycle (PLC) is as an aid in understanding the evolution of tourism products and destinations and it thus provides guidance for strategic decision taking. This suggests that tourism businesses and destinations should adopt a long-term planning horizon in order to utilize the PLC as an organizing framework for (i) marketing and (ii) development decisions.

##### (i) Marketing

For example, the type of customers is different at different stages in the product life cycle, which means the marketing media used to reach them and the marketing messages they will respond to will likewise be different at each stage.

##### (ii) Development Decisions

For example, organizations need to recognize when they need to relaunch their products as this is a major exercise in product development that implies significant investment over and above the normal cost of marketing.

Source: Witt, S. F., & Moutinho, L. (1989). *Tourism marketing and management handbook*. Prentice Hall.  
Swarbrooke, J. (2002). *The development and management of visitor attractions* (2nd ed.). Butterworth-Heinemann.



#### 4.2.2. Role and Importance of Planning in Destination Development

Effective destination planning can be used to balance the economic opportunities with the cultural and natural sensitivities of the area.

Destination planning at all levels is essential for achieving successful tourism development and management. The experience of many tourism areas in the world has demonstrated that, on a long- term basis, the planned approach to developing destination can bring benefits without significant problems, and maintain satisfied tourist markets. Places that have allowed tourism to develop without the benefit of planning are often suffering from environmental and social problems. These are detrimental to residents and unpleasant for many tourists, resulting in marketing difficulties and decreasing economic benefits. These uncontrolled tourism areas cannot effectively compete with planned tourism destinations elsewhere. They usually can be redeveloped, based on a planned approach, but that requires much time and financial investment.

There are several important specific benefits of undertaking destination planning. These advantages include:

- Establishing the overall tourism development objectives and policies - what is tourism aiming to accomplish and how these aims can be achieved.
- Developing tourism so that its natural and cultural resources are indefinitely maintained and conserved for future, as well as present, use.
- Integrating tourism into the overall development policies and patterns of the country or region, and establishing linkages between tourism and other economic sectors.
- Providing a rational basis for decision-making by both the public and private sectors on tourism development.
- Making possible the coordinated development of all the many elements of the tourism sector. This includes inter-relating the tourist attractions, activities, facilities and services and the various and increasingly fragmented tourist markets.
- Optimizing and balancing the economic, environmental and social benefits of tourism, with equitable distribution of these benefits to the society, while minimizing possible problems of tourism.
- Providing a physical structure which guides the location, types and extent of tourism



development of attractions, facilities, services and infrastructure.

- Establishing the guidelines and standards for preparing detailed plans of specific tourism development areas that are consistent with, and reinforce, one another, and for the appropriate design of tourist facilities.
- Laying the foundation for effective implementation of the tourism development policy and plan and continuous management of the tourism sector, by providing the necessary organizational and other institutional framework.
- Providing the framework for effective coordination of the public and private sector efforts and investment in developing tourism.
- Offering a baseline for the continuous monitoring of the progress of tourism development and keeping it on track.

Source: Inskeep, E. (1994). *National and regional tourism planning: methodologies and case studies*. Routledge.





### 4.3. Carrying Capacity

Tourism planning and development is not without cost. When the carrying capacity of a destination is exceeded, there will be a number of negative effects on different aspects.

#### 1) What is Carrying Capacity?

Carrying capacity can be defined as “the maximum number of people who can use a destination without unacceptable changes in the environment and without unacceptable changes in the enjoyment gained by visitors.”

#### 2) Types of Carrying Capacity

There are five types of carrying capacity: physical, environmental, psychological, economical and social-cultural.

##### - Physical carrying capacity

The physical carrying capacity of a destination is related to:

- the amount of suitable land available for accommodation, tourist facilities, and services like roads and water supply;
- the number of people who can be physically accommodated on a given facility, such as car parking spaces, seats in theatres or restaurants; and
- the capacity of local transport systems e.g. maximum 3,000 cars per hour for Tate's Cairn Tunnel.

##### - Environmental carrying capacity

Irreparable physical damage begins to occur in many tourist destinations when environmental carrying capacity is exceeded, especially when nature represents a key attraction. These damages could be:

- the trampling of grassland at picnic sites; or
- disturbance of wildlife.

##### - Psychological or perceptual carrying capacity

The psychological or perceptual capacity of a destination is exceeded when the visitors' experience or enjoyment is significantly impaired. This depends on:



- visitors' demand;
- visitors' attitudes to both the number and behaviour of other users, e.g. crowded and noisy environment; and
- visitors' tolerance of the physical wear and tear or pollution at a destination.

### - Economical carrying capacity

Excessive visitors may adversely affect the local communities' economy in some situations. For example,

- property prices rise to such an extent that local people can no longer afford to purchase or are pushed further and further out of the attractive areas;
- prices of daily consumption products keep rising due to the continuous increase in visitors' demand.

### - Social-cultural carrying capacity

This refers to the acceptance of tourists by the local population. The level of acceptance depends on previous experience and benefits that tourism brings. People who benefit from tourism such as those who own shops that cater to tourists or those who are employed in the industry tend to hold more favourable attitudes towards tourism than those that are not involved with it at all. One way to minimize the negative impacts that tourism may have is by educating local citizens and tourists about what they can expect of each other.

If the social-cultural carrying capacity is exceeded, the community begins to be irreversibly damaged by the tourist activities. For example,

- traditional handicrafts gradually disappear and are replaced by factory's mass production due to excessive demand of tourists.

## 3) How (Where) Do Carrying Capacity Problems Happen?

As a conclusion, whenever or wherever these capacities are exceeded, various problems occur.

For example, if too many people try to use a barbecue site at Sai Kung all at the same time, problems will occur. They may make too much smoke from their fire, occupy all



the seats, and drop a lot of litter. Some people need to sit on the ground and wait a long time for a barbecue stand. The place gets very crowded. The picnic site becomes unpleasant rather than enjoyable. In other words, the barbecue site has exceeded its carrying capacity.

The problems may also arise:

- in tourist-generating areas, like Hong Kong, where public holidays and school holidays are fixed. This leads to a concentration of outbound tourism demand at those particular times;
- on transit routes, e.g. Shenzhen and Guangzhou. Delays may occur at these bottlenecks if the transport system cannot cope with the demand; and
- in tourist-receiving areas, e.g. Beijing. Tourist resources such as the Great Wall and the Forbidden City may come under great usage pressure.

Ideally, actions can be taken to limit tourism demand so carrying capacity is not exceeded. Alternately, the carrying capacity can be expanded to cater for more tourists.

#### 4) Managing Carrying Capacity

The carrying capacity of a destination can be changed through a variety of strategies. Below are some examples of how carrying capacity can be improved, increased, or managed.

##### - Physical carrying capacity

- building more hotels to cater for tourists
- improving water supply
- increasing parking lots
- paving hiking trails
- increasing the number of rest stops

##### - Environmental carrying capacity

- improving sewage treatment
- better signage and closing off of trails where damage has occurred



- Psychological or Perceptual carrying capacity

- strategies to reduce or control demand
- encouraging off season or shoulder season visitation
- pricing to reduce demand
- reducing prices to increase demand during low seasons

- Economical carrying capacity

- ensuring higher wages for employees in the industry
- tax changes to encourage development or raise revenue

- Social-cultural carrying capacity

- encouragement of local involvement in tourism
- stronger local consultation with new development project

# Different Sectors of the Tourism Industry and Their Roles





## 5.1. Classification of Sectors and Their Linkages

Different sectors of the tourism industry are performing their particular roles in contributing to the success of a destination. Generally, these sectors can be classified into two different groups: 'private sectors' and 'public sectors'. Table 5.1 shows some common examples of sectors categorized under these two dimensions.

Private Sectors	Public Sectors
<ul style="list-style-type: none"><li>• Hospitality</li><li>• Transportation</li><li>• Attractions</li><li>• Intermediaries</li><li>• Other Private Sector Facilitators</li></ul> <p><i>(Note - some of the attractions, transportation and hospitality organizations can also be owned and managed by public organizations, such as the government)</i></p>	<ul style="list-style-type: none"><li>• Government</li><li>• Tourism Organizations</li><li>• Other Public Sector Facilitators</li></ul>

Table 5.1 - List of Private and Public Sectors in the Tourism Industry

In order to facilitate the growth of the tourism industry and motivate more tourists to visit to a destination, different sectors take their own roles to enhance the experience of tourists in different stages. Table 5.2 shows 3 key stages which are commonly encountered by tourists in their travel experience and the corresponding sectors involved in different stages.

Stages	Examples of Sectors Involved
• Setting up arrangements	• Travel services, e.g. tour operators and travel agents
• Getting you there	• Transport operators
• At the destination	<ul style="list-style-type: none"><li>• Hospitality, i.e. accommodation and food and beverage</li><li>• Tourism services, e.g. foreign exchange, retail shops</li><li>• Attractions</li><li>• Business facilities</li></ul>

Table 5.2 - Different Sectors Involved in a Tourist's Travel Experience





It should be pinpointed that some sectors are not working alone but have a close coordination with other sectors. For example, travel agents usually take their role as intermediates and have to work closely with hotels and airlines in setting up travel arrangements for tourists. Figure 5.1 shows the linkages of different sectors in the tourism industry.

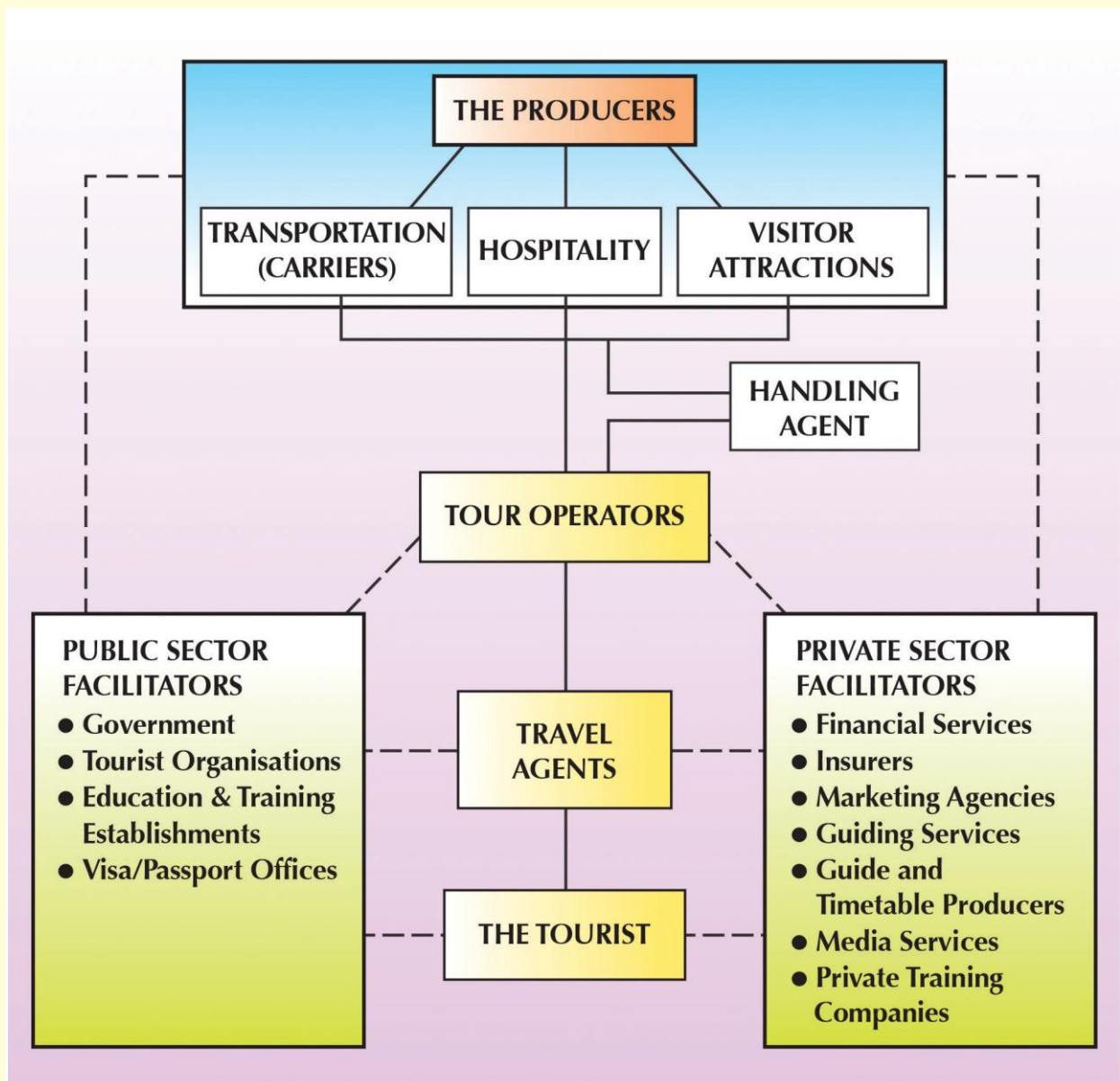


Figure 5.1 - Linkages of Different Sectors in the Tourism Industry

## 5.2. Private Sectors

The private sectors are commercial enterprises which are in business for making money and with 'profit maximization' as their primary aim. Examples of private sectors and their roles in the tourism industry are explored as follows:

### 5.2.1. Hospitality

Hospitality sector refers to those companies or organizations which provide "food", "drinks" and / or "accommodations" to their guests. Usually, it can be further divided into 2 main sectors: (1) accommodation sector and (2) food and beverage sector and are explained as below:

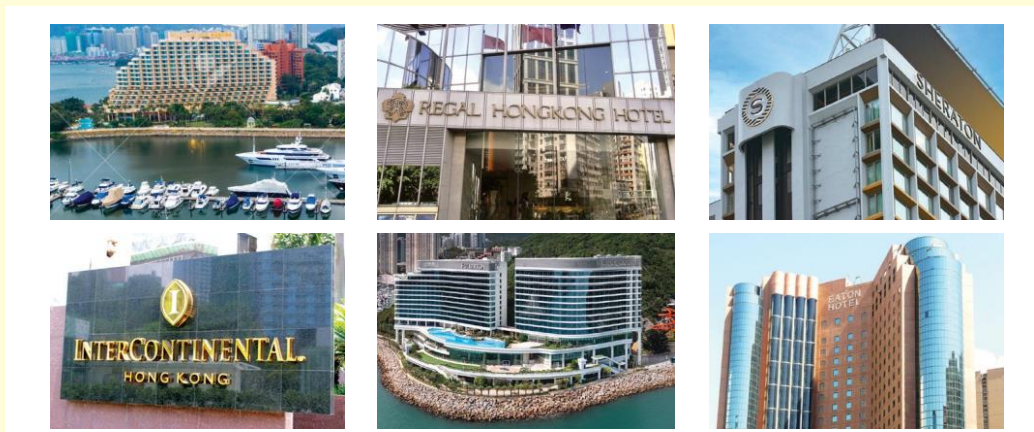
#### 1) Accommodation

Accommodation is the temporary home for travelers. It ranges from simple sleeping places to deluxe suites for eating, entertainment, and sleeping. Travelers can stay overnight in any kind of lodging from an African tree house to a castle in Europe.

The accommodation industry is made up of hotels, motels (motor hotels), resort hotels, campgrounds, hostels and guesthouses. Hotels are classified in various ways. One of the most common ways is by location, such as resort, city center, airport, suburban, or highway.

The other way of classification is rating (grading), for example, five-star, four-star, three-star, two-star hotels. This grading system is commonly used in the Mainland.

As for Hong Kong, hotels are categorized based on Hong Kong Hotel Classification System and the details of the accommodation sector will be introduced in the topic "Introduction to Hospitality".





Note - Please refer to the Handbook of Unit 2 - “Introduction to Hospitality” for more information about the accommodation sector.

## **2) Food and Beverage**

Similar to accommodation, the food and beverage sector is broad and it covers many different types of national cuisines and styles of services. Common types of food and beverage operations in Hong Kong include:

- Fine dining restaurants
- Casual dining restaurants
- Fast food restaurants
- Cafes
- Bars

The target segments of some food and beverage businesses are not only limited to local citizens but tourists, such as restaurants operating in hotels, airports, theme parks, other tourism attractions and transportations. Besides satisfying the basic needs of tourists by providing food and beverage services, restaurants with special themes or those which are famous for their high quality food and services become ‘must-see’ attractions to tourists. For example, the ‘Al Mahara’, one of the restaurants inside the Burj Al Arab Hotel in Dubai, is highly rated by tourists for its floor-to-ceiling aquarium at the center of the dining area.

Note – The details of food and beverage sector will be introduced in the topic “Introduction to Hospitality”.

### **5.2.2. Transportation**

#### **How can a traveler get to his/her destination?**

The actual movement of travelers is usually categorized as air, water, road and rail. Transport is acknowledged as one of the most significant factors in contributing to the international development of tourism. It provides the essential link between tourism origin and destination areas. It also helps to facilitate the movement of travellers either for leisure or business.



There are a number of different types of transport modes: (1) air, (2) water, (3) road and (4) rail. The various types of transport modes can be subdivided as shown in Table 5.3:

<b>Air</b>	<ul style="list-style-type: none"><li>• Domestic (Guangzhou to Beijing)</li><li>• International (Hong Kong to London)</li></ul> <p>Nowadays, the air transport service is provided by traditional airlines (full-service carriers) and low-cost carriers (budget airlines).</p>
<b>Water</b>	<ul style="list-style-type: none"><li>• Ferry</li><li>• Cruise</li></ul>
<b>Road</b>	<ul style="list-style-type: none"><li>• Coach/bus</li><li>• Private car</li></ul>
<b>Rail</b>	<ul style="list-style-type: none"><li>• Domestic (Guangzhou to Beijing)</li><li>• International (Beijing to Moscow)</li></ul> <p>With technological advancement, the rail service can be classified as high-speed rail and normal rail services.</p>

Table 5.3 - Various Types of Transportation Modes

## 1) Air Transport

In general, most airlines provide four different classes of services on board; they are first, business, premium economy and economy classes.



Travellers taking first class and business class have more space, receive better service and depending on the airline can recline their seats into flat beds.

Travellers taking premium economy class receive normal economy class service and meals, but enjoy larger seats with greater leg room.

Economy-class travelers though have narrower seats, still are provided with suitable services and meals.





Besides, two types of flight are commonly seen in the market:

(i) Scheduled Flights

- Refer to those flights operated regularly according to a published timetables and fares;
- Irrespective to the number of passengers to be carried on any one flight, they serve on a routine basis;

(ii) Non-scheduled Flights

- Also known as charter flights;
- Do not operate on any set schedule or have predetermined fare structure;
- Charter flights could go anywhere and at anytime when scheduled service do not covered, and very often they supplement the service on regular routes during peak seasons.

## 2) Water Transport

Two common types of water transport are: cruise ships and ferry services.

(i) Cruise Ships

A cruise is a vacation trip by ship. This definition excludes travelling by water for primarily transportation purpose.

It offers the passengers a chance to relax in comfortable surroundings, with attentive service, good food, and a liner that changes the scenery from time to time.

Source: Ward, D. (2000). *Berlitz complete guide to cruising & cruise ships 2001*. Berlitz Pub.

Cruise ships are basically self-contained destinations where guests live, eat, are entertained, and travel. Cruises are voyages taken for pleasure and not only for the purpose of transport. Most cruises start and end at the same port.



A cruise with all-inclusive fare nowadays may combine:

- Transportation costs such as airfare between cruise passengers' point of origin and the destination port. Sometimes the cost of accommodation at the destination port is included in the all-inclusive fare;





- On-board activities; and
- Shore excursions.

## (ii) Ferry Services

Ferry service is a short distance sea-journey between ports. Both the local commuters as well as tourists use this mode of transport. The demand for ferry services between Hong Kong and Macau was very high and some tourists have switched to take HZMB shuttle bus after the opening of Hong Kong-Zhuhai-Macao Bridge (HZMB).



## 3) Road Transport

Traveling by road is the most flexible and economical form of mass transportation. Modern motorway networks have made major cities easily accessible.

### (i) Coach services

- Local - services operated in Hong Kong
- Domestic - between Hong Kong and Shenzhen
- International express services - services between Canada and United States
- Tour and sightseeing operations
- Shuttle buses for airport transfers

### (ii) Car services

Car travelers have greater freedom in choosing their route, destination, and timing of their journey. Some common choices are:

- Private cars for rental;
- Taxis; and
- Private cars.





#### **Additional Information - Car rental:**

Business and vacation travellers book car rentals for different reasons:

- Business travellers are looking for a convenient and reliable form of ground transportation to get them from point A to point B with minimum amount of fuss and bother.
- Vacation travellers are looking for a comfortable form of transportation to places where they plan to visit but these places are not easily accessible by public transportation.

#### **4) Rail Transport**

The importance of rail travel has given way to private cars and air travel, but is picking up now since a number of services have been designed specifically for the tourist trade on a local and international level. Examples include “Orient Express” in Europe and “Indian Pacific” across Australia. Others include the “Trans-Siberian Railway” and the “Royal Express” of Japan.

##### Examples of Other Rail Transport:

- Subway and commuter trains in large cities;
- Airport express train service; and
- Scenic rails

##### Examples of Some Scenic Rails:



One of the world’s eminent travelling experiences is to travel on luxury train. Traversing the world’s varied landscapes along alternative train routes, the train combines all the comfort and luxury of a five-star hotel with a globally unparalleled journey.

The Blue Train

Reference: <http://www.bluetrain.co.za>

Orient Express Trains

Reference: <http://www.orient-express.com>



Table 5.4 summarizes the major characteristics of various transportation modes:


Major Characteristics of Various Transportation Modes				
Mode	Carrying unit and capacity	Advantages	Disadvantages	Significance for tourism
Air	<ul style="list-style-type: none"> <li>• Aircraft</li> <li>• Medium to High passenger capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Speed and range</li> <li>• Suited to long distance journeys</li> </ul>	<ul style="list-style-type: none"> <li>• High fuel consumption</li> <li>• Stringent safety regulations make air transport an expensive mode</li> </ul>	<ul style="list-style-type: none"> <li>• Speed: shorten the travel distance and reduce the time of travel</li> <li>• Range: Increased accessibility to places, opened up most parts of the world for tourism</li> <li>• Stimulate the growth of international mass tourism</li> </ul>
Water	<ul style="list-style-type: none"> <li>• Ship/cruise</li> <li>• Can have a high degree of comfort</li> <li>• Medium to High passenger capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Suited to either long or short distance ferry operations</li> <li>• Relaxation</li> </ul>	<ul style="list-style-type: none"> <li>• Comparatively slow</li> <li>• Seasickness</li> <li>• High labour costs</li> <li>• Feeling of being confined with most of the activities limited on the cruise</li> </ul>	<ul style="list-style-type: none"> <li>• Cruising has become a popular form of leisure travel since 1980</li> </ul>
Road	<ul style="list-style-type: none"> <li>• Car, bus, or coach</li> <li>• Low capacity for passengers</li> </ul>	<ul style="list-style-type: none"> <li>• Door-to-door flexibility</li> <li>• Suited to short distance journeys</li> </ul>	<ul style="list-style-type: none"> <li>• Way shared by other users leading to possible congestion</li> </ul>	<ul style="list-style-type: none"> <li>• Door-to-door flexibility allows tourist to plan routes</li> <li>• Allows carriage of holiday equipment</li> <li>• Acts as a link between terminal and destination</li> <li>• Acts as mass transport network for excursions in holiday areas</li> </ul>
Rail	<ul style="list-style-type: none"> <li>• Passenger carriages</li> <li>• High passenger capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience: it usually arrives at and depart from the central business district of a city, thus saving transit time between city and airport</li> <li>• Suited to medium or long distance journeys, and to densely populated urban areas</li> <li>• More environmentally friendly</li> </ul>	<ul style="list-style-type: none"> <li>• High fixed costs</li> </ul> 	<ul style="list-style-type: none"> <li>• In the mid-nineteenth century, it opened up areas previously inaccessible for tourism</li> <li>• Special carriages can be added for scenic viewing</li> <li>• Trans-continental routes and scenic lines carry significant volume of tourist traffic</li> </ul>

Table 5.4 - Major Characteristics of Various Transportation Modes

Extract & Modified from Boniface, B. G., & Cooper, C. P. (2005). *Worldwide destinations: the geography of travel and tourism* (4th ed.). Butterworth-Heinemann.



### 5.2.3. Intermediaries

#### 1) Linkages of Intermediaries with Customers and Suppliers

Intermediaries are “Middle-Men”, acting as a link between the customer and the supplier. In the travel business, intermediaries usually involve travel agencies and tour operators. The suppliers consist of airlines, cruise and ferry companies, coach/ bus companies, railways, hotels and motels, and car rental agencies. The customers include holiday makers, business travelers, and those visiting friends and relatives. Figure 5.2 shows the linkages of intermediaries with customers and suppliers.

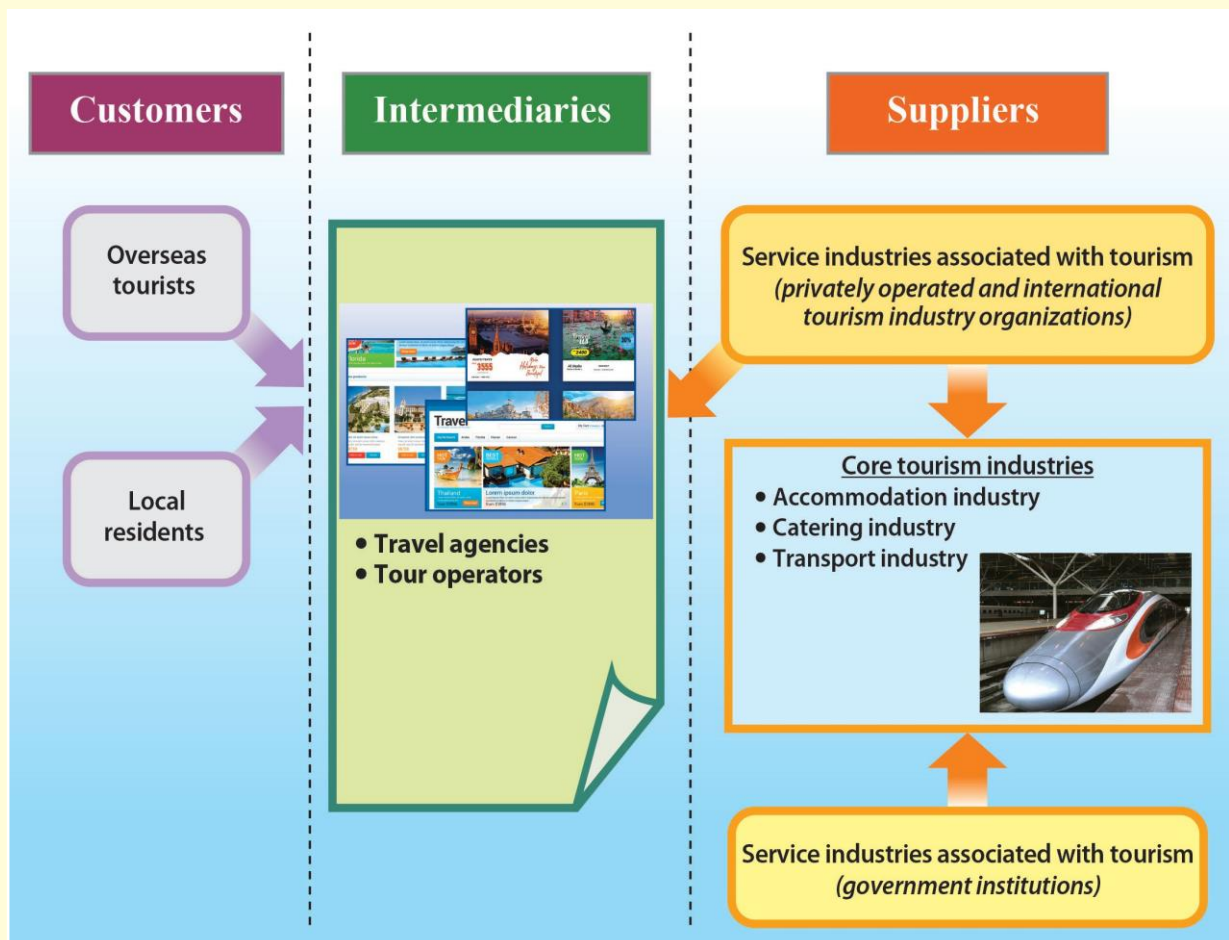


Figure 5.2 - Linkages of Intermediaries with Customers and Suppliers

#### - Distribution Channels of Tourism Products

Intermediaries acting as middle-men are no longer the only way that customers can purchase tourism products from suppliers. Distributions of tourism products have





undergone evolutions and two different examples of how tourism products can be distributed nowadays are provided as follows:

### *Example 1 - Traditional Tourism Product Distribution*

- Airlines, hotels, cruise companies, restaurants, attraction etc. ‘manufacture’ the product or service.
- Travel Wholesaler or consolidators package the various products and offer them as packages to the market.
- Travel agents acting as agents of the producers of the services or agents of the travel wholesalers sell the products and services for a commission.
- The consumer buys the tourism product from the travel agent.

### *Example 2 - 21<sup>st</sup> Century Tourism Product Distribution*

- Suppliers/Manufacturers directly deal with consumers via the Internet without using the services of middlemen like travel agents.
- Advantages for both parties - cost effective and quick
- Fast, efficient and reliable communications are at the fore-front of modern tourism. The days when most bookings were made through travel agents are well and truly over and the internet now plays a major role in the provision of travel information and in the booking of trips.

## **Distribution Channel Levels**

From a supplier’s point of view, the more levels of intermediaries involved in the distribution of products, the less control the supplier has over the product. In addition, the business model used by intermediaries involves charging a commission on top of the supplier’s product. But, the key to this model is that the retail price offered through intermediaries cannot be higher than the retail price offered by the provider. If a provider is going to use an intermediary, the business will have to offer its product at a discounted price to the intermediary. That way, the intermediary can add its commission. Traditionally commissions ranged from 5% to 10% per intermediary involved, but now





can range up to as high as 25%.

Figure 5.3 shows the levels in the tourism distribution system.

- Unilateral - Suppliers sell their products directly to the consumer without using any intermediary. The advantage is they do not have to pay commissions to intermediaries and also can offer special prices and rewards to loyal customers.
- Bilateral – Suppliers sell their products through one level of intermediary. The advantage is they may get broader distribution in a global marketplace, especially if that intermediary has a major share of the travel market. The disadvantage is they must pay commissions, sometimes as much as 25% of the retail price charged to consumers.
- Multilateral - This model involves suppliers providing products to travel wholesalers who may bundle it with airfare, accommodation and other services to sell through travel retailers to the consumer.

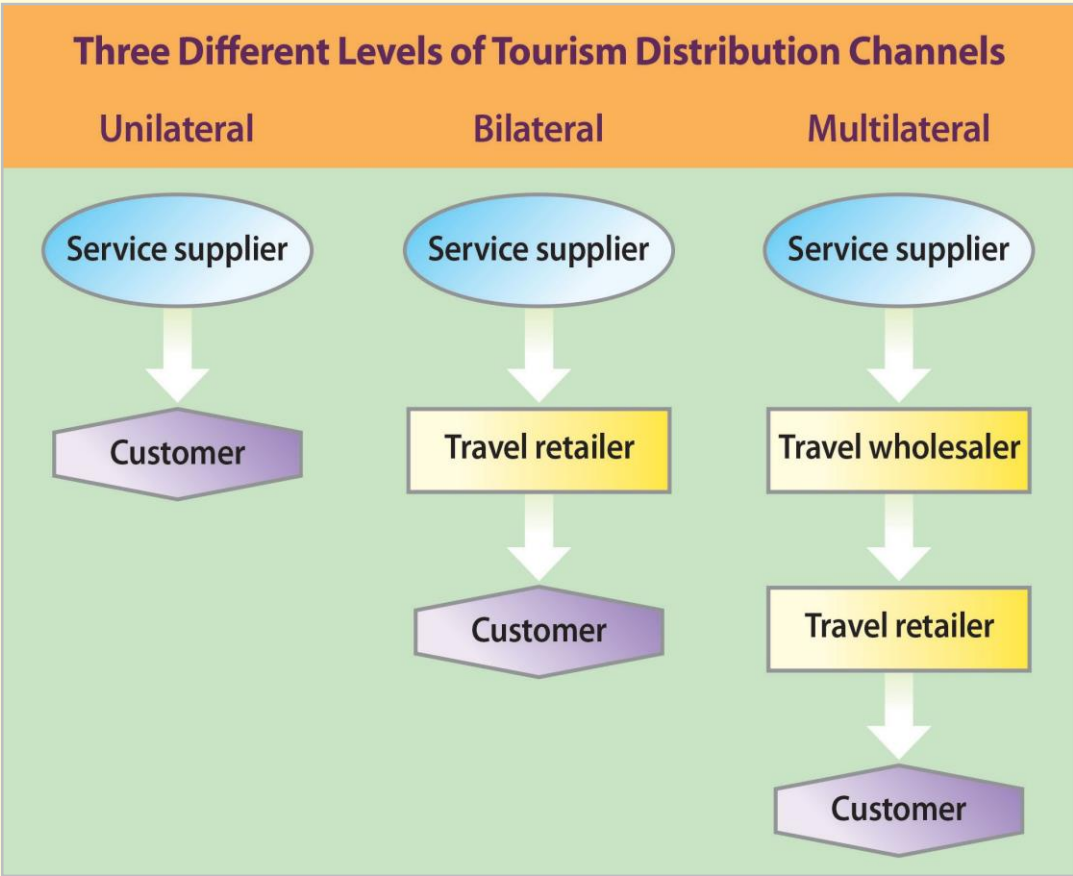


Table 5.3 - Different Levels of Channels in a Travel Distribution System

Also, as suppliers can bypass the intermediaries and have direct interactions with customers vice versa, the linkages of different stakeholders in a travel distribution system could be a bit different from Figure 5.2. Figure 5.4 shows another version of linkages among different stakeholders in the tourism industry.



## Different Categories in the Tourism Industry

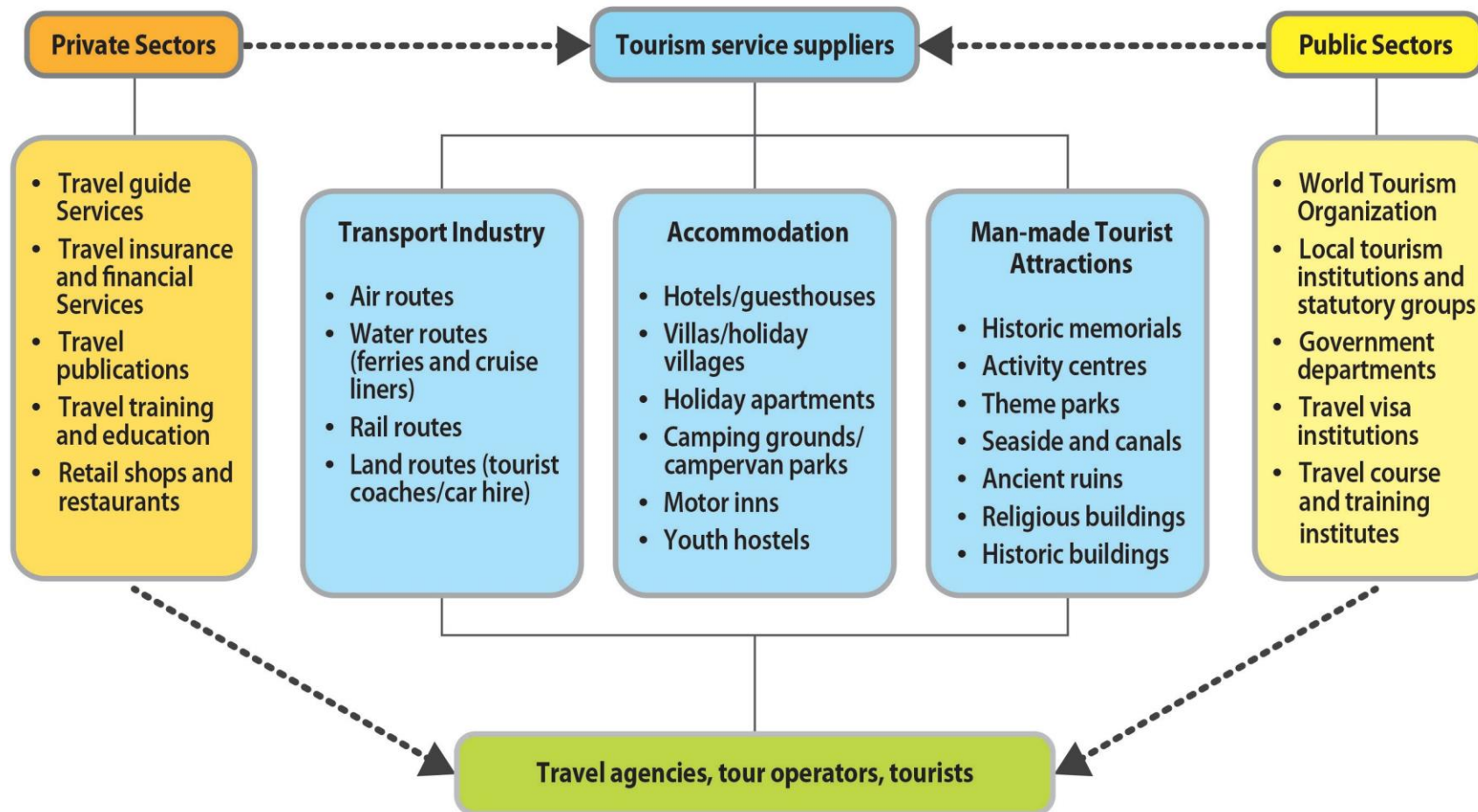


Figure 5.4 - The Linkages Among Customers, Intermediaries and Suppliers of the Tourism Industry Reference:

Holloway, J. C. (2006). *The business of tourism* (7th ed.). FT Prentice Hall.





## 2) Types of Intermediaries

As observed in Figure 5.2 and 5.4, intermediaries are chiefly divided into two categories: travel agencies and tour operators.

### (i) Travel Agencies

- Inbound travel agencies
- Outbound travel agencies

### (ii) Tour Operators

- Inbound tour operators
- Outbound tour operators

## 3) Travel Agencies

### (i) Role and Functions of Travel Agencies

The function of travel agencies includes the following 3 aspects:

#### - *Providing one-stop tourism products*

In the course of travel, customers have a wide variety of needs from the moment they leave home until they return to their home base. These include food, accommodation, transport, touring and sightseeing, shopping, entertainment, etc. Travel agencies come in and link tourists with different tourism service providers. Playing the role of middlemen between the two parties, travel agencies transform a number of purchases made by the original customer from tourism service suppliers into a one-off purchase and the involvement of travel agencies also breaks local boundaries.

#### - *It is an important retail channel for tourism products*

Although core areas of the tourism industry, such as transport, accommodation and catering organizations also sell their own products/services directly to tourists, in light of developments in modern-day mass tourism, different parts of their tourism products are sold to customers in the retail market via travel agencies. Therefore, the main function of travel agencies is to help suppliers to distribute their products in the retail market.

#### - *Facilitating customers' tourism activities and promoting the development of the tourism industry*



Travel agencies bring together many types of services to large numbers of potential customers, for example making reservation and providing confirmation, thereby facilitating customer purchases. In addition, travel agencies can book the relevant travel services before the customer departs, guaranteeing that the trip will go smoothly. Furthermore, travel agencies also provide customers with information, assistance and professional opinions that can help customers to plan their journeys.

Today, that business model has been changed by the development of a range of Online Travel Agents (OTAs), a large number of travel apps and online services provided by suppliers that link them directly to the consumer. Many hotels and airlines now no longer need to use the traditional intermediary distribution system to reach consumers. Instead, they have developed their own applications and internet booking services. Airlines have also managed to largely bypass the tour operator sector by being able to package accommodation, transfers and on-site transportation in their website.

OTAs have also largely managed to bypass the tour operator sector. Some such as [www.trip.com](http://www.trip.com) offer a range of general services including airfare, accommodations and packages. While [www.hotels.com](http://www.hotels.com) has the ability to offer potential consumers accommodation from millions of hotels. Interestingly as well, apps like [www.tripadvisor.com](http://www.tripadvisor.com) provide both consumer reviews of products and services available as well as the opportunity to book directly with providers.

### **Trip.com Group**

Trip.com Group Limited is a leading global one-stop travel platform, integrating a comprehensive suite of travel products and services and differentiated travel content. It is the go-to destination for travelers in China, and increasingly for travelers around the world, to explore travel, get inspired, make informed and cost-effective travel bookings, enjoy hassle-free on-the-go support, and share travel experience. The Company currently operates under a portfolio of brands, including Ctrip, Qunar, Trip.com and Skyscanner, with the mission "to pursue the perfect trip for a better world".

The Company provides one-stop travel services through Ctrip and Qunar:

- Our accommodation business provides over 1.2 million global accommodation offerings, covering hotels, motels, resorts, homes, apartments, bed and breakfasts, hostels, and other properties.





- Our air ticketing business offers flights from over 480 airlines, covering over 2,600 airports in over 200 countries and regions.
- We also offer over 310,000 in-destination activities around the world.

The Company provides travel services to non-Chinese customers mainly through Trip.com and Skyscanner:

- The products and services on Trip.com are available in 20 languages and 31 local currencies through our local websites.
- The products and services on Skyscanner are available in over 30 languages covering 52 countries and regions globally.

Source:

<https://investors.trip.com/about-the-company/corporate-profile>

## **Tripadvisor**

Tripadvisor, the world's largest travel guidance platform, helps hundreds of millions of people each month become better travelers, from planning to booking to taking a trip. Travelers across the globe use the Tripadvisor site and app to discover where to stay, what to do and where to eat based on guidance from those who have been there before. With more than 1 billion reviews and opinions of nearly 8 million businesses, travelers turn to Tripadvisor to find deals on accommodations, book experiences, reserve tables at delicious restaurants and discover great places nearby. As a travel guidance company available in 43 markets and 22 languages, Tripadvisor makes planning easy no matter the trip type.

Source:

<https://tripadvisor.mediaroom.com/US-about-us>



Besides ‘travel agencies’, other related positions such as ‘travel planners’ or ‘travel consultants’ would also provide travel arrangement services for their customers. Detailed descriptions about the general duties of a travel planner and some examples of products and services provided are introduced as follows:

### **What Does a Travel Planner Do?**

A travel planner is an agent that organizes vacation and travel packages for clients. They perform various tasks during and following consultation with a client, such as setting an itinerary, booking flights, arranging for the rental of a car or recreational equipment, all with the focus on making the trip go as smoothly as possible. The main priority for a travel planner is coordinating various aspects of a trip. The job requires multi-tasking, scheduling, negotiating and other interpersonal communication skills.

For vacations, a travel planner must consult closely with their client. In many circumstances, clients who seek the assistance of a travel planner for their vacations do so because they want to purchase a total package rather than having to coordinate each aspect of their vacation themselves. For example, a travel planner will have to determine whether the client should fly, set sail, or head out by auto or rail. Generally clients are able to articulate their precise requirements during a consultation, but in numerous cases the travel planner must draw it out through a question-and-answer session.

Once the method of transit is arranged, a travel planner will then have to find the accommodations that best suit the client’s needs. Though this may sound simple, many clients are not certain what type of place they would like to stay in. Many different factors come into play in determining the most suitable accommodations for a client — price, location in the destination city, proximity to particular attractions or activities, level of luxury and aesthetic sensibility, etc.

Travel planners usually arrange all of the things that their client will do on their vacation and ensure that no scheduling conflicts emerge. The planner will find the activities and excursions that best suit the tastes and interests of his clients, while ensuring that those activities fit within his client’s budget. This requires that the trip planner become familiar with his or her clients and build a level of rapport with them, getting a sense of what they enjoy.

Travel planners are not confined to arranging vacations though. In many instances, they are hired to arrange business trips, which require a high level of coordination



and competence. They may also be asked to organize corporate retreats, seminars and conventions, or just about anything else that requires the skills for coordinating travel itineraries for people.

Source: Wisegeek (2012). "What does a travel planner do?"  
Retrieved from <http://www.wisegeek.com/what-does-a-travel-planner-do.htm>

## (ii) Product Knowledge Required by a Travel Agent

A travel agent should have full product knowledge in the following dimensions:

Product Knowledge	Examples
1. Destinations	<ul style="list-style-type: none"><li>• Climatic conditions;</li><li>• Political situations;</li><li>• Special events and public holidays;</li><li>• Customs, culture and cuisine of country/destination;</li><li>• Major attractions;</li><li>• Health and other hazards;</li><li>• Currency exchange rates;</li><li>• Travel regulations and documents; and</li><li>• Accommodation facilities, etc.</li></ul>
2. Airlines	<ul style="list-style-type: none"><li>• Reservation system;</li><li>• Route operations;</li><li>• Flight schedules;</li><li>• Fares;</li><li>• Types of airplanes;</li><li>• Services offered on board; and</li><li>• Connecting flights, etc.</li></ul>
3. Airports	<ul style="list-style-type: none"><li>• Timings;</li><li>• Facilities;</li><li>• Custom and security regulations;</li><li>• Taxes; and</li><li>• Distances from cities, etc.</li></ul>



4. Surface (Rail and Road) and Water Transport	<ul style="list-style-type: none"> <li>• Timetables;</li> <li>• Connections;</li> <li>• Fares and car rentals;</li> <li>• Facilities; and</li> <li>• Reservation systems and procedures, etc.</li> </ul>
5. Principal Suppliers	<ul style="list-style-type: none"> <li>• Image and financial standing;</li> <li>• Service offered;</li> <li>• Quality of service; and</li> <li>• Commissions offered, etc.</li> </ul>
6. Knowledge of Other Aspects	<ul style="list-style-type: none"> <li>• Package tours;</li> <li>• Local excursions; and</li> <li>• Special interest tours, etc</li> </ul>

Table 5.7 - Product Knowledge Required by Travel Agencies

Source: Indira Gandhi National Open University (2012). Managerial practices in tourism- 1, Unit 23- Travel agencies. Retrieved from <https://egyankosh.ac.in/bitstream/123456789/16823/1/Unit-23.pdf>

- *Other general knowledge and skills required by a travel agent:*

- Customer and Personal Service
  - Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.
- Geography
  - Knowledge of describing the features of destinations, including their physical characteristics, locations, interrelationships, and distribution of plant, animal, and human life.
- Sales and Marketing
  - Knowledge of showing, promoting, and selling products or services. This includes marketing strategy and tactics, product demonstration, sales techniques, and sales control systems.
- Transportation (Other than human)
  - For example, knowledge of moving goods by air, rail, sea, or road, including the relative costs and benefits.



- English Language
  - Knowledge of the structure and content of the English language including the meaning and spelling of words, rules of composition, and grammar.
- Clerical
  - Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.

Source: Careerplanner.com (2012). Retrieved from <http://job-descriptions.careerplanner.com/Travel-Agents-5.cfm>





### (iii) Factors Considered by a Travel Planner When Planning a Tour

Considerations in tour planning can be numerous. Customer expectation plays a dominant role which gives directions to travel planners on how a tour should be planned. The following table shows some examples of considerations from customers' perspectives in the tour planning process.

Factors for Considerations	Key Elements in a Tour			
	Hotels	Transports	Food	Itinerary
<b>Preferences/needs</b>	e.g. star rankings; location of hotels; request for certain room types, etc.	e.g. mode of transport (by sea / air / road / rail); departure and arrival time, etc.	e.g. request for healthy food / religious food, etc.	e.g. guided tour / self tour, etc.
<b>Interest</b>	e.g. Wi-Fi / spa services / pool facilities, etc.	e.g. in-flight entertainment and movie system, etc.	e.g. local and traditional cuisines, etc.	e.g. shopping / sightseeing / adventure, etc.
<b>Budget</b>	e.g. standard / deluxe room / suite, etc.	e.g. first class / business class / economy class, etc.	e.g. meals are included / excluded in the tour package, etc.	e.g. entrance fees of theme park and other own expenses that are excluded from the tour package, etc.
<b>Safety</b>	e.g. Is the hotel licensed?	e.g. history of accidents under the brand, etc.	e.g. risk of food poisoning, etc.	e.g. risk of crimes and thefts in certain attractions, etc.

Table 5.6 -Factors Considered by a Travel Planner When Planning a Tour

- Other 'destination-related' considerations include the followings:

- weather condition;
- seasonality and festivals;
- availability of service suppliers, e.g. hotel rooms, flight tickets, theme park tickets, etc.;



- social and political stability;
- exchange rate; and
- terrorism and natural disasters, etc.

(iv) Accessing Relevant Information About a Destination or Attraction and Presenting the Information to Tourists

In most cases, customers who approach travel agencies usually enquire about various information of a particular destination or attraction. For example: rates, schedules, location, facilities and services, availability, booking procedures, issuing of tickets/ vouchers, travel insurance and currency, etc.

Besides some basic information that can be easily accessed through the use of information technology (I.T.) such as global distribution system (GDS), agency websites and homepages of National Tourism Office (NTO) of different countries, agency staff usually utilize their own knowledge and experience in answering the questions of their customers about any destinations. Practically for some travel agents which operate outbound tours, counter staff are required to take the role of tour escorts as parts of their duties. These “first-hand” experiences gained by agency staff enable them to share some useful and up-to-date information to customers who may have some enquiries about their intended destinations. Training is another way which helps agency staff to equip themselves with some essential knowledge of destinations. Instead of organizing some in-house training, staff is always encouraged to read various printed materials, such as destination booklets provided by tourism organizations and itineraries of packages prepared by the product & development department. These kinds of printed materials are especially useful as means of information and as well, promotional items to be presented to customers in case of their enquiries.

Source: Buhalis, D. (2003). *eTourism : information technology for strategic tourism management*. Prentice Hall/ Financial Times.

## 5.2.4. Other Private Sector Facilitators - Travel-related Services

### 1) Travel Insurance

One important aspect of maintaining “peace-of-mind” while people travel is to purchase travel insurance, especially when travelers are using “special” tickets which are mostly non-refundable. This is because the insured travelers may get a partial compensation



in case they are unable to get on the plane due to various reasons. By travel insurance, we usually refer to personal insurance, but in other cases, it is best to include vehicle insurance as well.

#### Why is it important to buy travel insurance?

It is because travel insurance usually covers the following:

- Medical and hospitalization expenses;
- Personal accident involving loss of life or limb;
- Loss of baggage (including a small amount of cash);
- Baggage delay over 12 hours after scheduled time of arrival (reimbursement for the urgent purchase of basic personal hygiene items such as toothbrush, underwear, basic medication, etc.);
- Cancellation charges in the event of illness, injury or death. This includes non-refundable deposits and tour costs;
- Accidental loss or damage of mobile phone;
- Personal liability; and
- Losses involved in the event of a curtailment of the journey due to death, injury and illness (nowadays, some insurance companies include strikes, poor weather, hijacking, etc. as well).

Travel insurance is valid for specific periods of time, e.g. “within 7 days”, “under 2 weeks”, “1 month and a year”. It is important that the travelers must make sure they are covered for the entire travel period, or else if anything happens in the period that is not insured, their coverage can be disqualified.

It is essential that the dates of travel are accurate. Please note that different insurance firms have different limits to age (some firms will not cover anyone over 75 years old), and special conditions of coverage.

## **2) Foreign Exchange**

Nowadays, a lot of traveling expenses can be paid by credit cards, it seems that foreign currency exchange is no longer important. However, when it comes to shopping, hiring a taxi, or making a phone call, tourists still need some cash. Local currencies can be obtained from banks, hotels and foreign exchange booths in busy business centers, airports, railway stations and quays.



### 3) Credit Cards

Credit card is important to the automated payment system of travel nowadays. It represents simplicity, instead of paying in cash or traveler cheques, purchase is charged to a credit account. Credit card offers speed, safety, security and convenience to travellers.

### 4) Retail Shops and Restaurants

Retail shops and restaurants are important areas of the tourism industry anywhere over the world. Shopping is one of Hong Kong's favorite tourist attractions. Tourists can also enjoy food of many countries, with a great price range that can fit with different tastes and budgets of the visitors.

### 5) Travel Publications (Electronic Publications with the Use of Apps)

Travel publications are popular, for tourists can obtain a wide range of travel information.

Items like guide books often contain basic information about the destination such as climate, geography, history, culture, religion and economy. Readers are also briefed on the formalities and operational aspects of traveling such as visas, customs, accommodation, transportation, tourist offices, postal services, and even laundry service.

Travel magazines show a similar variety of information and they can bring major up-to-date information to readers. Many large operators and companies in the tourism industry and the consumer goods industry make use of these magazines to advertise their products and services. The advantage goes both to tourists, who can get in touch with the latest products and services and plan their trips accordingly, and to the operators, who can promote their seasonal products and services to the prospective consumers.

Electronic publication is a rapidly growing industry. It provides a real-time visual and audio base of information to tourists. Airlines, National Tourist Offices (NTOs), major hotel groups and some well-established travel intermediaries have already established



their Internet websites and mobile applications (apps) to promote their products and services. They have also built up a two-way communication with their prospective customers. Tourists can obtain updated travel information from the Internet at a click of the mouse or from their smartphones.

Moreover, all NTOs publish reading materials for tourists, including leaflets, brochures, magazines and CDs. Airline companies would also provide informative and interesting magazines for the passengers. Large hotel group publishes magazines, leaflets and brochures of nearby restaurants and attractions and electronic publication is expected to be more prevalent in the future.



### 5.3. Public Sectors

Successful tourism involves a close partnership between the public and private sectors. The public sector represents government agencies, while the private sector consists primarily of businesses and business associations.

The public sector can be further divided into government departments and other statutory bodies. They are largely responsible for the planning, development approval, immigration and marketing of a destination. They may also be involved in ownership of major infrastructure, such as airports, cruise terminals and attractions. Each department or organization performs different functions.

#### 5.3.1. The Major Roles of Government in Tourism Development

There are 4 major roles performed by government in tourism development as shown in Figure 5.5:

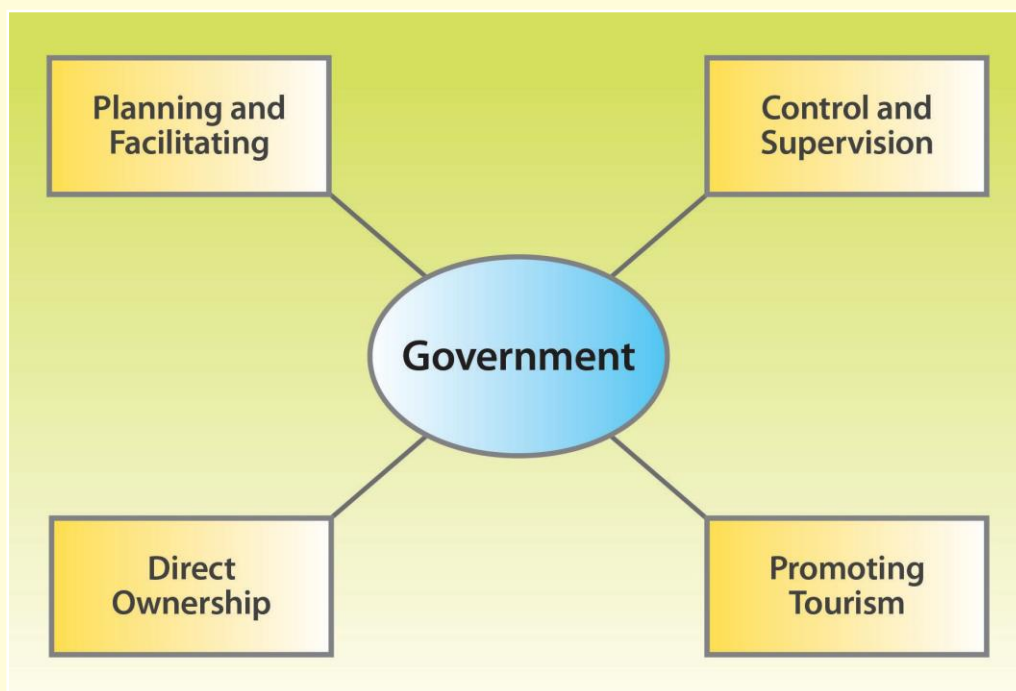


Figure 5.5 - Major Roles of Government in Tourism Development

##### 1) Planning and Facilitating Tourism

Governments devise policies and plans for development. These include the generation of guidelines and objectives for the growth and management of tourism, both in short



and long term, and devising of strategies to achieve their objectives.

The planning of tourism requires research. This is to assess the level of demand or potential demand to the region, as well as to estimate the resources required to cater for that demand, and how these are best distributed. Planning implies the provision of training. Through hotel, catering and tourism schools, for the skills that the industry requires.

The planning and facilitating function of the government may be delegated to the National Tourism Office of that country.

## **2) Control and Supervision of Tourism**

The government plays an important part in controlling and supervising tourism. This is necessary to prevent undesirable growth, to maintain quality standards, to help match supply and demand as well as to protect tourists against industrial malpractice of failure.

### **(i) Refusal or granting of permission in planning**

Refusal or granting of planning permission is an obvious example of the exercise of control over tourism development.

### **(ii) Control of the export currency**

Government sometimes exercise control over tourism flows for economic reasons. Government may protect their balance of payments by imposing currency restrictions or banning the export of local currency in an attempt to reduce the number of local tourists traveling abroad.

### **(iii) Supervision of tourism industry**

Supervision and control is also exercised over the various sectors of the tourism industry. The need to ensure passenger safety has led not to licensing of airlines and other forms of public transport, but also of tour operators and travel agencies.

Perhaps the most common form of government supervision of the tourism industry in all countries is in the hotel industry, where compulsory registration and grading is imposed in many countries.



### 3) Direct Ownership of Components of the Tourism Industry

Some governments own parks, airlines and airports, galleries, museums, historic sites, streets and highways railways, buses, harbors and ferries, subways, hotels, resorts, swimming pools, golf course, and even liquor stores, so as to facilitate the development of the tourism industry.

### 4) Promoting Tourism to Home and Overseas Markets

Government produces and distributes maps, charts, and tourism literature; operate information centers; advertise, organize sales promotion and public relations activities directed at home and overseas markets.

Government attempts to increase tourism growth by effective marketing, concentrating their publicity on less popular attraction or geographical regions and doing more promotional work during off-season.

Besides the roles as mentioned above, government roles also cover the following areas:

#### 1) Active Involvement

- Provision of information and advice to prospective investors
- Provision of government guarantees to investors
- Legislation which is conducive to foreign investment

#### 2) Investment Support

- Provision of land by the government at less than market value
- Low interest rate

#### 3) Operational Support

- Increase operational efficiency, for example, provides or finances vocational training, or allows skilled foreign labours to be employed
- Provide visa arrangements for tourists entering into the country
- Negotiate with tourist generating countries on air traffic rights and airlines routes



#### 4) Research and Planning

- Carry out research to find out the most suitable places and ways to develop tourism
- Plan for a well-built infrastructure to meet the needs of developing tourism
- Evaluate the resources (attractions, facilities, labour) available in the country for further tourism development

Reference: *Guidelines on Tourism Investment, Second Edition (English version)*. (1992). Holloway, J. C. (1998). *The business of tourism* (5th ed.). Longman.

#### 5.3.2. Government Departments and Public Tourism Organizations Involved in Tourism

Government departments and some public organizations are involved in tourism policy, planning control and education. For example, travel formalities are administered by consulates and departments in charge of immigration, border security and customs. There are departments responsible for monitoring, licensing and regulating major tourist businesses like hotels and travel intermediaries. Besides, the design and provision of career training in different schools also depend upon the support from the government. In all, the planning and co-ordination of future tourism development require the collaborative efforts of many departments.

The following are the possible tourism related departments and public tourism organizations:

- National tourism organizations (Ministry of culture and Tourism of the People's Republic of China)
- Regional tourism organizations (different regions/ provinces, Example: Destination New South Wales, Australia)
- Local tourism organizations (Local example: Hong Kong Tourism Board)
- Departments of policy (Local example: Culture, Sports and Tourism Bureau; Tourism Commission)
- Marine departments (Local example: Marine Department)
- Immigration departments (Local example: Immigration Department)
- Customs departments (Local example: Customs and Excise Department)
- Departments of transportation (Local example: Transport Department)



- Departments of planning (Local example: Planning Department)
- Departments of environment (Local example: Environmental Protection Department)
- Departments of aviation (Local example: Civil Aviation Department)
- Departments of agriculture (Local example: Agriculture, Fisheries and Conservation Department)
- Health departments (Local example: Department of Health - Travel Health Service)

The daily cases of government departments getting involved in tourism can be simply reflected by their provision of services to travelers related to travel formalities, ranging from visa application to immigration. Below are some general examples of travel formalities which require the involvement of different government departments:

### Example 1: Passport

The most important travel document is passport. It is the official document with which the citizenship of a tourist can be clearly identified. Passports are issued by their respective sovereign governments, stating the status of citizenship of the holder and some basic personal information such as date of birth, gender, correspondence and emergency contact. The holder's photo is stuck on the main page with an official stamp/chop certifying the validity of the document. The issue date and valid period of the passport are also stated. The holder needs to renew his/her passport for usually every 10 years or longer years.

Each passport contains blank pages, allowing embassies of other sovereign government to stick or stamp their visas, also allowing border officials of the host countries to stamp the dates of entry and exit. For national security reason, all passports are carefully designed and made to prevent forgery. Modern sophisticated printing technologies such as laser markings help this in a great deal.

A passport is an official document issued by a government to identify an individual, and it is usually issued for five to ten years. In general, the following items can be found in a passport:

- Name of passport holder





- Photo of passport holder
- Personal details (e.g. nationality, date of birth) of passport holder
- Date of issue
- Issuing authority
- Expiry date

Passport's holder often ignores the expiry date on the passport. Most countries require passports to be valid for a certain period, normally it requires no less than 6 months of validity for travelling abroad.

### **Example 2: Visa**

No international law permits people to enter foreign spaces whenever they wish. Instead, the ability to visit a country is a privilege granted by the destination. It can say who is allowed to enter, who is not allowed to enter, under what circumstances someone can enter and how long they can stay.

Governments face a difficult balancing act between allowing desirable people to enter to facilitate economic development and promote stronger political ties, and keeping undesirable people out who may abuse the immigration system or pose a threat to national security.

Entry is usually permitted through some sort of visa system, depending on the conditions will state how long a person can stay, the number of visits they can make within a specified period of time and the person's ability to work in the country, among other things.

Visas can be

- secured prior to visiting;
- granted on arrival, or
- waived for residents of countries that are seen to pose little threat to the destination.

Governments that see the benefits of tourism will tend to adopt more flexible rules, while others that see fewer benefits or who see tourism potentially posing a security and/or political threat apply stricter rules. Countries also tend to impose stricter visa conditions to stop illegal migration or in reply to another country imposing visa restrictions on its own citizens. Tighter entry controls tend to be imposed on poorer or unstable countries,



out of concerns that their citizens might stay illegally or are thought to be more likely terrorists or other undesirables.

For example, in Hong Kong where tourism is a key part of the economy, visa free entry of up to 180 days is offered to citizens of about 170 countries and territories. By contrast, North Korea requires holders of normal passports from all countries to acquire a visa before they are allowed to enter. The United States of America has many concerns about internal security and as such has quite strict visa policies. In 2023, only 2 territories can enter visa free, while about 38 others can apply for an electronic visa and have normal visa requirements waived. But, it has also instituted strict visa requirements and refused entry to citizens of countries that are seen to pose a threat to America.

A visa can be refused if a person:

- has committed fraud, deception or misrepresentation in his previous application
- has a criminal record
- has been arrested but not necessarily convicted
- poses a threat to national security
- does not have a good moral character
- has previous visa/immigration violations
- cannot prove to have strong ties to his current country of nationality and/or residence
- intends to reside or work permanently in the country
- fails to provide sufficient evidence/documents to prove eligibility for the visa sought
- does not have a legitimate reason for the journey
- has no visible means of sustenance
- does not have health/travel insurance valid for the destination and the duration of stay
- is a citizen of a country to which the destination country is hostile
- has previously visited, or intends to visit, a country to which the destination country is hostile
- has a communicable disease, such as tuberculosis
- has a passport that expires too soon

Documents such as passport, an employer's letter, return air tickets, and receipt(s)



of hotel booking or proof of arranged accommodation in the host country are often required. Embassy officials may also ask for other papers such as bank statements (proving the applicant's financial capacity to travel), travel insurance receipt and vaccination certificates. Applicant must submit photo(s) along with the application.

Every visa has a valid period. If a tourist wants to stay in the host country beyond that period, he/she must apply for an extension that can be arranged during the stay. Tourists who want to study abroad may be required to apply instead for a student visa. In this case, documents from the concerned educational institution would be necessary.

### **Example 3: Health Requirements**

To prevent the spread of epidemics diseases, tourists departing from a port which has been declared to have an epidemics problem are usually required to present a proof of health or vaccination issued by an officially recognized medical officer or institution. Aged travelers usually need a travel medical insurance receipt or even a medical certificate stating good health in order to get a visa.

The Hong Kong Travel Health Service is run by the Port Health Division of the Department of Health. It aims at promoting and protecting the health of travelers as well as preventing the spread of diseases into Hong Kong.

Travellers arriving from an 'infected area' are normally required to prove that they have duly been vaccinated against specific diseases. The World Health Organisation produces an international certificate of vaccination for this purpose.

If a passenger arrives in a country without evidence that he/she has had the necessary vaccinations, he/she could be:

- denied entry to the country
- put under medical surveillance
- put into quarantine
- vaccinated 'on the spot'



## **Example 4: Customs and Taxes/duties**

For trade, hygiene and security reasons, different host countries have their list of items of forbidden goods that overseas tourists and their citizens are not allowed to bring into their territory. Dangerous drugs are mostly strictly prohibited. Tourists bringing in firearms or other lethal weapons could face severe penalty or punishment. For example, tourists convicted of the offence of drug trafficking in some countries such as Thailand could face capital punishment.

Taxed items such as tobacco and alcoholic products are usually restricted to a limited amount (in weight or volume). Items other than travelers' accessories including electrical household appliances may also be taxed. Tourists who wish to travel with their pet(s) often need prior permission, and a proof of vaccination may be required. Some countries such as the United States have strict policies on bringing in agricultural produce or even herbs and plants. Tourists bringing in non-duty-free items need to fill in a custom declaration form and submit it at the point of entry.

Some host countries that adopt sales tax system offer tax refund benefit to tourists who are big spenders, so as to attract them to buy more during the stay. The customs office usually operates refunding procedure before the visitors return home. Most countries also have a policy on the value of both the foreign currency and their national currency that a tourist can bring into and out of their territory. Usually before arrival, transport operators help the host country distribute customs declaration forms and arrival cards to visitors to fill in and submit at the point of entry.

## **Example 5: Public Security**

Public security is one of the major issues to governments around the world, in particular public security at the airports. Many airports have adopted a tight security measure in ensuring the safety of air passengers.

In addition, the Security Bureau introduces the Outbound Travel Alert (OTA) System, aiming to help people better understand the risk or threat to personal safety in travelling to countries/territories that are the more popular travel destinations for Hong Kong residents.



Outbound Travel Alerts	
	<b>Severe threat</b> <ul style="list-style-type: none"> <li>• Avoid all travel</li> </ul>
	<b>Significant threat</b> <ul style="list-style-type: none"> <li>• Adjust travel plans</li> <li>• Avoid non-essential travel</li> </ul>
	<b>Signs of threat</b> <ul style="list-style-type: none"> <li>• Monitor situation</li> <li>• Exercise caution</li> </ul>

## 航空安全及保安要求

### Aviation Safety and Security Requirements

**✗ 不可攜帶上飛機的物品 Items NOT To Be Taken Aboard Aircraft**

<p><b>爆炸品</b> Explosives</p> <p><b>壓縮氣體</b> Compressed Gases</p> <p><b>易燃液體和固體</b> Flammable Liquids and Solids</p> <p><b>氧化劑</b> Oxidizers</p> <p><b>毒藥</b> Poisons</p> <p><b>傳染性物質</b> Infectious Substances</p> <p><b>放射性物質</b> Radioactive Materials</p>	<p><b>腐蝕性物質</b> Corrosives</p> <p><b>磁性物質</b> Magnetized Materials</p> <p><b>其他危險品</b> Other Dangerous Goods</p> <p><b>彈藥及武器</b> Ammunitions &amp; Weapons</p> <p><b>利器</b> Bladed Instruments</p> <p><b>小刀</b> Small Knives</p> <p><b>鈍器及體育用品</b> Blunt Instruments &amp; Sports Equipment</p>
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注意：請向你的航空公司查詢詳情      Note: Please ask your airline for details

**✓ 手提行李中可以攜帶少量液體、噴霧及凝膠分類物品，但必須符合以下規定：**  
**Passengers can carry a limited quantity of Liquids, Aerosols and Gels in their hand baggage if the items are packed as follows:**

每人只限一袋  
One bag per person

膠袋應與其他手提行李分開，供保安人員另行檢查  
Plastic bag to be presented separately from other hand baggage for screening

每人只可攜帶一件手提行李進入機艙  
Only one piece of hand baggage is allowed to carry onboard the aircraft

體積 22 x 14 x 9 吋 / inches  
Size : 56 x 36 x 23 釐米 / cm

香港國際機場航空公司委員會      Airline Operators Committee Hong Kong International Airport

Source:

Security Bureau. Outbound Travel Alerts. Retrieved from <https://www.sb.gov.hk/eng/ota/index.html>  
 Hong Kong International Airport. Aviation Safety and Security Requirements. Retrieved from [https://www.hongkongairport.com/iwov-resources/file/passenger-guide/airport-security/aviation\\_safety\\_and\\_security\\_requirements.pdf](https://www.hongkongairport.com/iwov-resources/file/passenger-guide/airport-security/aviation_safety_and_security_requirements.pdf)





## 5.4. The Case of Hong Kong - The Role and Work of the Hong Kong SAR Government and Key Local Tourism Organizations

### 1) Official Bodies

#### (i) Tourism Commission

The Tourism Commission was established in May 1999 and now is under the Culture, Sports and Tourism Bureau. It is headed by the Commissioner for Tourism and is mainly responsible for formulating and co-ordinating implementation of policies, strategies and plans for tourism development. At the same time,

it leads and coordinates the work of other Government bureaux and departments on policies and initiatives which have an impact on tourism development.

The Commission's vision is to establish and promote Hong Kong as Asia's premier international city, a world-class destination for leisure and business visitors. To fulfill this vision, the Commission ensures that tourism receives proper recognition as one of the major sectors of the economy, with the industry, the Hong Kong Tourism Board and other Government bureaux and departments working in harmony, and bringing in the community at large.



#### - *Strategy*

Hong Kong's tourism policies are set out in the Development Blueprint for Hong Kong's Tourism Industry promulgated in 2017. The Blueprint has four development strategies that aim to:

- Develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors;
- Nurture and develop tourism products and initiatives with local and international characteristics, including cultural tourism, heritage tourism, green tourism, and creative tourism; and to consolidate and enhance Hong Kong's status as a travel destination for MICE tourism, regional cruise hub, and Events Capital of Asia;
- Develop smart tourism; and



- Upgrade the service quality of the tourism industry and encourage the trade in adopting good trade practices.

(ii) *Hong Kong Tourism Board (HKTB ): Promoting Hong Kong*

The HKTB is a Government-subsidised statutory body. In addition to the head office in Hong Kong, HKTB has 15 other offices and 7 representative offices around the world in 2023.

The primary responsibilities of the HKTB are to market and promote Hong Kong as a destination worldwide, as well as to take initiatives to enhance visitors' experiences upon their arrival. These include making recommendations to the Government and other relevant bodies on the range and quality of visitor facilities. The HKTB's missions are to maximise the social and economic contribution made by tourism to the community of Hong Kong, and to consolidate Hong Kong's position as a unique, world-class and most desired destination.

The 6 objectives of the HKTB, as defined under the HKTB Ordinance, are:

- to endeavour to increase the contribution of tourism to Hong Kong;
- to promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination;
- to promote the improvement of facilities for visitors;
- to support the Government in promoting to the community the importance of tourism;
- to support, as appropriate, the activities of persons providing services for visitors to Hong Kong; and
- to make recommendations to and advise the Chief Executive (of the Hong Kong SAR) in relation to any measures which may be taken to further any of the foregoing matters.

In fulfilling its objectives, the HKTB works in partnership with relevant government departments and organisations, the travel-related sectors, and other entities related to tourism. The cooperation also regularly consults its stakeholders, and participates in a number of strategy groups and forums.

The HKTB conducts extensive research into visitor profiles and preferences. This



research data, along with information on the latest tourism trends and patterns, as well as analyses and projections by international organisations, is used for mapping out the HKTb's marketing strategies for different visitor source markets and segments.

In order to communicate Hong Kong's brand strengths to travel trade, media and consumers worldwide, the HKTb makes use of different channels, and organises comprehensive campaigns and a year-round programme of mega events, which also serve to enrich visitor experiences and create business opportunities for the travel-related sectors.

Christmas in Hong Kong



Chinese New Year's fireworks

## 2) Other Key Local Tourism Organizations

### (i) Travel Industry Council of Hong Kong (TIC)

In the third quarter of 2022, the TIC completed its historic mission of self-regulating the industry and took up the role of the federation of trade associations. The TIC ceased to be a public body under the Prevention of Bribery Ordinance since then.

Its missions are:

- to promote the development and professionalism of the industry
- to continuously enhance the service standards of the industry





- to protect and promote members' rights, interests and welfare
- to assist members to explore new business opportunities
- to strengthen partnerships with travel-related organisations within and outside Hong Kong

For member agents

- organising various kinds of activities to promote fellowship and understanding within the industry
- organising training courses, seminars, workshops and the like to upgrade the standard of industry members
- updating the TIC website regularly to provide various kinds of information for members
- promoting communication between members and related organisations outside the industry and providing channels for discussion
- helping members recruit staff through the TIC website

For the public

- raising awareness of travel safety and travel protection among travelers

### **A New Statutory Regulatory Body: Travel Industry Authority (TIA)**

In the new regulatory regime established under the Travel Industry Ordinance (Cap. 634), the Travel Industry Authority (TIA) take over the functions of the Travel Agents Registry (TAR) in respect of issuing licences to travel agents, and the functions of the Travel Industry Council of Hong Kong (TIC) in respect of issuing passes to tourist guides and tour escorts, and regulating the industry respectively. The TIA is responsible for managing the Travel Industry Compensation Fund (TICF) and collecting levies from travel agents. The TAR has been disbanded and the TIC ceased its works in relation to issuing passes and regulation on 1 September 2022.

TIA is primarily responsible for the licensing and regulation of travel agents, tourist guides and tour escorts. It is responsible for promoting the integrity, competence and professionalism of the travel industry practitioners and will regulate shops that inbound tour groups are arranged to patronise through an administrative scheme. In addition, it is also responsible for managing Travel Industry Compensation Fund which provides protection for outbound travellers purchasing outbound packages.





Source:

Information Services Department (2022, August 31). Travel Industry Authority to take over licensing and regulatory functions of travel industry. Retrieved from

<https://www.info.gov.hk/gia/general/202208/31/P2022083100236.htm?fontSize=1>

Travel Industry Authority (2021). Travel Industry Authority Annual Report (2020-21).

Retrieved from [https://www.tourism.gov.hk/pdf/TIA\\_Annual\\_Report\\_2020-21.pdf](https://www.tourism.gov.hk/pdf/TIA_Annual_Report_2020-21.pdf)

## Travel Industry Compensation Fund (TICF)

### Scope of Protection under TICF

The Travel Industry Compensation Fund (TICF) provides protection to outbound travellers who may claim:

- (a) an ex gratia payment equivalent to 90% of the loss of outbound fares arising from the closure of licensed travel agents and
- (b) reimbursement up to HK\$300,000 in ex gratia payment, in case of injury or death in an accident during an outbound activity provided or organized by a licensed travel agent, of expenses incurred in the place of accident.

Under the Travel Industry Ordinance (Cap. 634) (the Ordinance), an outbound traveller means a person who has paid an outbound fare to a licensed travel agent for a combination of two or more of the following services and arrangements relating to the same tour:

- (a) a service concerning carriage, by any means of transport, on a journey that is to commence in Hong Kong and then take place mainly outside Hong Kong;
- (b) a service concerning accommodation at a place outside Hong Kong;
- (c) arrangements for an activity.

### Examples Not Covered by Protection under TICF

The protection in respect of outbound accidents does not cover:

- Medical expenses not arising from injury or death caused by an accident (e.g. illness);





- Injury or death caused by an accident in an activity which is not provided or organized by a licensed travel agent;
- Individual travellers who have an accident while staying behind after a group tour.

### Tips for outbound travelers

In order to ensure that outbound travellers are entitled to the protection of the Travel Industry Compensation Fund (TICF), when they plan their trip, they should:

- patronise a Hong Kong licensed travel agent, be it an online or a physical store;
- obtain and keep a franked receipt after paying for outbound travel services;
- check the receipt carefully to ensure that:
  - all the details of the outbound travel services are clearly set out;
  - the receipt has been franked (see a sample of the levy stamp below), showing that your travel agent has paid the correct amount of levy (i.e. 0.15% of the total outbound fare paid);
  - the name and licence number of the travel agent on the receipt and levy stamp are the same as your travel agent patronised.



Reference: Travel Industry Authority

<https://www.tia.org.hk/en/travel-industry-compensation-fund/protection-under-travel-industry-compensation-fund-and-the-relevant-legal-provisions.html>

<https://www.tia.org.hk/en/travel-industry-compensation-fund/levy/outbound-travellers.html>

### (ii) Hong Kong Hotels Association (HKHA)

Hong Kong Hotels Association (HKHA) was founded in 1961. Its missions are as follows:

- To protect the lawful interests of hoteliers in Hong Kong;
- To promote greater industry unity and co-operation among its members;



- To ensure greater professionalism in the industry by providing useful information and data to members on related industry matters;
- To represent the collective views of the industry on all matters affecting hotel operation;
- To perform a consultative role in proposed legislation arising from new Government policies and measures;
- To offer educational programmes to members through training courses and seminars;
- To ensure and uphold consistency in service and quality standards, as well as promote greater internationalism of our industry through the introduction of new technology and management techniques.



**HONG KONG HOTELS ASSOCIATION**

香港酒店業協會



## Activity 5.1

Sha Tau Kok Pier, within the Frontier Closed Area (FCA), is open to group tours.

### Sha Tau Kok Pier opens for tours

Sha Tau Kok Pier, within the Frontier Closed Area (FCA), is open to group tours from today (June 3, 2022) to tie in with the direction of the Northern Metropolis Development Strategy (NMDS) and to facilitate the tourism development and promote the local culture of Sha Tau Kok and the North East New Territories.

The NMDS puts forward the progressive opening of Sha Tau Kok Pier for tourism activities. To tie in with this policy direction, the Security Bureau, together with relevant departments, formulated a six-month trial scheme in which Sha Tau Kok Pier will be open to registered local tour groups for travelling to neighbouring scenic spots such as Lai Chi Wo and Kat O by water vessels on each holiday during the period. The Government has also added various facilities around the pier to introduce the features of Sha Tau Kok.

The eastern part of the Northern Metropolis as well as Yantian and the Dapeng Peninsula of Shenzhen will form the Mirs Bay/Yan Chau Tong Eco-recreation/ tourism Circle with the development of the Northern Metropolis. Hong Kong and Shenzhen will work together to promote the development of eco-recreation/tourism and form a strategic spatial framework of “Twin Cities, Three Circles”.

Under the trial scheme, there are two sessions on each holiday to accommodate three local tours in each session. Upon the completion of the trial scheme, the Government will carefully review the outcome of the scheme, evaluate the impact on the aspects of traffic and security, and consider the views of residents in order to examine the way forward in further opening up Sha Tau Kok town (except Chung Ying Street), including considering the requisite ancillary facilities and formulating suitable measures.

Source:

<https://www.info.gov.hk/gia/general/202206/03/P2022060300361.htm?fontSize=1>

[https://www.news.gov.hk/eng/2022/06/20220603/20220603\\_130723\\_697.html](https://www.news.gov.hk/eng/2022/06/20220603/20220603_130723_697.html)



The following is the information adapted from the website of Travel Industry Council of Hong Kong:

- This dedicated page that provides information on local tours in the Sha Tau Kok Frontier Closed Area is provided for interested members of the public to explore the details. They may contact the licensed travel agents for enrollment directly.
- Holders of the Tourist Guide Pass and the Tour Escort Pass are invited to participate in the online training course of the Sha Tau Kok Frontier Closed Area Local Tour.

### **Questions:**

1. With reference to the above information adapted from the website of Travel Industry Council of Hong Kong, identify two missions of Travel Industry Council of Hong Kong and explain with evidence.
2. Name the statutory body that issues passes to tourist guides and tour escorts in Hong Kong.
3. Name three major roles of the government in tourism development. With reference to the trial scheme of opening of Sha Tau Kok Pier to registered local tour groups, give an example to explain each role.
4. Name three forms of travel that tourists may participate in Sha Tau Kok Frontier Closed Area and give an example to explain each form.



### **Suggested answers:**

#### 1. Two missions of TIC:

- to assist members to explore new business opportunities  
Evidence: to provide information on local tours in the Sha Tau Kok Frontier Closed Area for interested members of the public to explore the details and the public may hence contact the licensed travel agents for enrollment directly
- to promote the development and professionalism of the industry  
Evidence: Holders of the Tourist Guide Pass and the Tour Escort Pass are invited to participate in the online training course of the Sha Tau Kok Frontier Closed Area Local Tour

#### 2. Travel Industry Authority

#### 3. The three major roles of government in tourism development:

- Planning and facilitating tourism  
Evidence: to tie in with the direction of the Northern Metropolis Development Strategy (NMDS) and to facilitate the tourism development and promote the local culture of Sha Tau Kok and the North East New Territories
- Control and supervision of tourism  
Evidence: only open to registered local tour groups
- Direct ownership of components of the tourism industry  
Evidence: The Government owns Sha Tau Kok pier

#### 4. Three forms of travel:

- Cultural tourism  
Evidence: facilitate the tourism development and promote the local culture of Sha Tau Kok and the North East New Territories
- Ecotourism:  
Evidence: Yan Chau Tong Eco-recreation/tourism Circle
- Study tourism  
Evidence: to understand local ecological environment; enhancing personal knowledge





## 5.5. Key International Tourism Organizations

### 1) United Nations World Tourism Organization (UNWTO)

The United Nations World Tourism Organization (UNWTO) is a United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism.

As the leading international organization in the field of tourism, UNWTO promotes tourism as a driver of **economic growth, inclusive development and environmental sustainability** and offers leadership and support to the sector in advancing knowledge and tourism policies worldwide.

In 2023, UNWTO's had 159 Member States, 6 Associate Members, 2 Observers and over 500 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities.

The UNWTO has 6 priorities:

- **Mainstreaming tourism in the global agenda:**

Advocating the value of tourism as a driver of socio-economic growth and development, its inclusion as a priority in national and international policies and the need to create a level playing field for the sector to develop and prosper.

- **Improving tourism competitiveness:**

Improving UNWTO Members' competitiveness through knowledge creation and exchange, human resources development and the promotion of excellence in areas such as policy planning, statistics and market trends, sustainable tourism development, marketing and promotion, product development and risk and crisis management.

- **Promoting sustainable tourism development:**

Supporting sustainable tourism policies and practices: policies which make optimal use of environmental resources, respect the socio-cultural authenticity of host communities and provide socio-economic benefits for all.

- **Advancing tourism's contribution to poverty reduction and development:**

Maximizing the contribution of tourism to poverty reduction and achieving the SDGs by making tourism work as a tool for development and promoting the inclusion of tourism in the development agenda.



- **Fostering knowledge, education and capacity building:**

Supporting countries to assess and address their needs in education and training, as well as providing networks for knowledge creation and exchange.

- **Building partnerships:**

Engaging with the private sector, regional and local tourism organizations, academia and research institutions, civil society and the UN system to build a more sustainable, responsible and competitive tourism sector.

Source: UNWTO. Retrieved from <https://www.unwto.org/about-us>

## **2) Pacific Asia Travel Association (PATA)**

The Pacific Asia Travel Association (PATA) is a not-for-profit membership-based association that acts as a catalyst for the responsible development of travel and tourism to, from and within the Asia Pacific region.

PATA understands the role of tourism in promoting peace, empathy and cross-cultural understanding, and encourages all tourism stakeholders to observe these fundamental principles. Aligned with these principles, the Association supports the right of freedom of movement without prejudice and intolerance in line with the rights of each sovereign nation and the will of its people.

By bringing together our private and public sector members, PATA facilitates meaningful partnerships to enhance the value, quality and sustainable growth of travel and tourism to, from and within the Asia Pacific region.

The Association provides aligned advocacy, insightful research and innovative events to its member organisations, which including government, state and city tourism bodies; international airlines and airports; hospitality organisations, and educational institutions, as well as thousands of young tourism professional (YTP) members across the world.

The PATA network also embraces the PATA Chapters and Student Chapters, who organise numerous travel industry training programmes and business development events across the world.

Reference: PATA. Retrieved from <https://www.pata.org/about-pata>



# The Development of Tourism in Hong Kong



## 6.1. The Development of Tourism in Hong Kong

### 6.1.1. Overview of Tourism

The tourism industry is one of the major pillars of the economy of Hong Kong. In 2018, it contributed to around 4.5% of Hong Kong's GDP and employed around 257 000 persons, accounting for about 6.6% of total employment. In 2018, total visitor arrivals rose by 11.4% over 2017 to 65.15 million. In the first eight months of 2019, total number of visitors rose by 4.0%.

About Industry	
Hong Kong Tourism in GDP	4.5% (2018)
Tourism Industry Employment	256,900 (2018)
Tourism Expenditure of Inbound Tourism	HK\$ 260 billion (2019)
Hotel Supply	299 hotels, 83,100 rooms (2019)
Hotel Room Occupancy Rate	91% (2018); 79% (2019)
Average Achieved Hotel Room Rate	HK\$1376 (2018); HK\$1206 (2019)
Visa-Free Entry to Hong Kong	about 170 countries (7 -180 days) (2020)
About Visitors	
Visitor Arrivals	56 million (2019)
Overnight Visitor Spending	HK\$ 5,820 per capita (2019)
Length of Stay	3.3 nights (2019)
Visitor Satisfaction Level (Max: 10 points)	8.5 points (2019)

Table 6.1 - Facts about Hong Kong Tourism

Source: Fast Facts about Hong Kong Tourism, Hong Kong Tourism Board; A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board

<https://www.discoverhongkong.com/eng/hktb/newsroom/fast-facts-about-hong-kong-tourism.html>

Based on the statistics in 2019, Mainland, Taiwan and USA were the top three visitor source markets to Hong Kong, together accounting for 83.3% of total arrivals. Mainland





continued to be the top visitor source market to Hong Kong, accounting for 78.3% of total arrivals. (Geographic aspect)

Ranking in 2019 ( 2018 )	Markets	No. of Arrivals	Share of total ( % )
1 (1)	Mainland	43,774,685	78.3%
2 (2)	Taiwan	1,538,915	2.8%
3 (4)	USA	1,107,165	2.0%
4 (5)	Japan	1,078,836	1.9%
5 (3)	South Korea	1,042,540	1.9%

Table 6.2 - Hong Kong's Top Five Source Markets of Visitor Arrivals to Hong Kong in 2019

Source: A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board

<https://partnet.hktb.com/filemanager/intranet/ir/ResearchStatistics/paper/Stat-Review/StatReview2019/Statistical%20Review%202019.pdf>

The Individual Visit Scheme (IVS), allowing residents of designated Mainland cities to visit Hong Kong as independent travellers without joining group tours, has been gradually extended since its introduction in July 2003. It now covers 49 Mainland cities, namely all 21 cities in Guangdong Province, Shanghai, Beijing, Chongqing, Tianjin, Chengdu, Dalian, Shenyang, Jinan, Nanchang, Changsha, Nanning, Haikou, Guiyang, Kunming, Shijiazhuang, Zhengzhou, Changchun, Hefei, Wuhan and a total of nine cities in Fujian (Fuzhou, Xiamen, Quanzhou), Jiangsu (Nanjing, Suzhou, Wuxi) and Zhejiang (Hangzhou, Ningbo, Taizhou). The share of IVS arrivals increased from 35% of all Mainland arrivals in 2004 to 57% in 2019. As at the end of December 2019, there were over 294.44 million visitor arrivals from the Mainland through the IVS since its implementation.



## 6.1.2. Development Blueprint for Hong Kong's Tourism Industry

In October 2017, the Government released the “Development Blueprint for Hong Kong's Tourism Industry”. The blueprint sets out not only a clear vision and mission to develop Hong Kong into a world-class premier tourism destination and ensure the balanced, healthy and sustainable development of the industry, but also four development strategies based on which to formulate different tourism initiatives and measures. Below shows some highlights of the above four development strategies:

### Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors

- **Seizing opportunities arising from Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development:** promoting Belt and Road countries/regions and Greater Bay Area cities to jointly develop “multi-destination” tourism products and itineraries with Hong Kong
- **Promoting Hong Kong:** In addition to driving visitor arrivals from key markets, such as Taiwan, Southeast Asian countries and South Korea, the HKTb also strives to step up promotional efforts in new markets, including India, Russia, countries in the Gulf Co-operation Council, etc., capitalizing on the economic growth and increased flight capacity of these markets.

### Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics, including cultural tourism, heritage tourism, green tourism and creative tourism; and to consolidate and enhance Hong Kong's status as a travel destination for Meetings, Incentive travels, Conventions and Exhibitions (MICE) tourism, regional cruise hub, and Events Capital of Asia

- **Wide variety of tourism genres:** The Government has been spearheading the development of themed tourism in different districts to enrich tourists' experience.
  - ▶ In the Central and Western District, the revitalisation project of Dr Sun Yat-sen Historical Trail, together with PMQ and “Tai Kwun” (a new centre for heritage and arts situated at the restored Central Police Station Compound), further showcases a mix of historical and artistic elements in the Central and Western District.
  - ▶ The HKTb has launched the “Old Town Central” and “Hong Kong Neighbourhoods - Sham Shui Po” district promotion campaigns to repackage these districts as must-visit areas in Hong Kong with contrasting elements of the historic architecture, arts and culture, authentic lifestyles, food and wine, and entertainment.
  - ▶ The HKTb has been promoting the Hong Kong UNESCO Global Geopark, the natural scenery of various outlying islands, popular hiking trails and those with



tourism appeal potential, and other green attractions through the “Great Outdoors Hong Kong” marketing platform.

- **New strategy to support staging events and activities:** The HKTb strives to offer a year-round programme of mega events, such as “International Chinese New Year Night Parade”, “Hong Kong Dragon Boat Carnival”, “Hong Kong Cyclothon” and “Hong Kong Wine and Dine Festival” etc., to offer visitors indelible travel experience during their stay in Hong Kong. These events are promoted along with traditional festivals and cultural celebrations, as well as major events launched by other organisations, with the objectives of enriching visitors’ experience and reinforcing Hong Kong’s image as the Events Capital of Asia.

### Strategy 3: To develop smart tourism

- The TC joins hands with the Government’s relevant departments to explore providing more free Wi-Fi hotspots in tourist attractions as well as enhancing the connection speed and stability of the services to facilitate visitors’ use of free public Wi-Fi services.
- On travel facilitation service, we launched the first official landing page “Visit Hong Kong” in September 2018. Through the use of free public Wi-Fi services incorporated with the landing page, visitors arriving the Hong Kong International Airport, West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, and Passenger Clearance Building of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port can obtain useful tourist information including terminal facilities at venue, transport to/from tourist attractions, shopping, dining, hotels and promotional offers, to facilitate their itinerary planning and travelling in the city.
- Providing funding for the industry to make good use of information technology to enhance their competitiveness, making use of smart technology at tourist attractions, etc.

### Strategy 4: To upgrade the service quality of the tourism industry and encourage the trade in adopting good trade practices

- **Trade regulation:** The Travel Industry Authority is a new statutory body responsible for the licensing and regulation of travel agents, tourist guides and tour escorts.
- **Improving service quality:** The HKTb has been promoting the Quality Tourism Services (QTS) Scheme, which aims to encourage retailers, restaurants and visitor accommodations to elevate their service standards, thereby giving quality assurance to visitors.

Source: Hong Kong: The Facts Tourism <https://www.gov.hk/en/about/abouthk/factsheets/docs/tourism.pdf>  
 A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board <https://partnernet.hktb.com/filemanager/researchpub/ir/ResearchStatistics/paper/Stat-Review/StatReview2019/Statistical%20Review%202019.pdf>

## 6.1.3. The Development Plan for the Tourism Sector during the 14<sup>th</sup> Five-Year Plan Period, the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area and the Culture and Tourism Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area



Source: Constitutional and Mainland Affairs Bureau

<https://www.bayarea.gov.hk/en/home/index.html>

### *Developing into an East-meets-West Centre for international cultural exchange*

The Central Government's National 14<sup>th</sup> Five-Year Plan and Development Plan for the Tourism Sector during the 14<sup>th</sup> Five-Year Plan Period categorically stated its support for Hong Kong in developing into an East-meets-West Centre for international cultural exchange. Hong Kong has its unique culture and history, which provides opportunities for the tourism industry. On one hand, Hong Kong can make use of its culture and arts to create new elements for travel experience. On the other, Hong Kong can capitalise on its inherent strength as an international travel hub to retell Hong Kong's story and



promote Chinese culture, and follow the guiding principle of “shaping tourism with cultural activities and promoting culture through tourism” as stipulated in the Culture and Tourism Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area (the CTD Plan). By developing distinctive cultural and creative tourism projects, tourism experiences are enhanced through arts and culture and the development of culture and tourism integration is promoted.

*Developing into an international tourism hub and a core demonstration zone for multi-destination tourism*

Moreover, the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (the ODP) and the (the CTD Plan) support Hong Kong in developing into an international tourism hub and a core demonstration zone for multi-destination tourism while setting out the guiding direction for the development of Hong Kong’s tourism industry. The “Building a Bay Area for Leisure” chapter of the CTD Plan proposes various measures taking forward the GBA’s tourism development. They include developing more distinctive GBA tourism products and itineraries, jointly promoting the GBA “multi-destination tourism”, driving the tourism development of cruises and yachting, strengthening the co-operation of tourism market regulation of the GBA as well as the nurturing of tourism talents. Implementation of these measures will attract more overseas tourists to the GBA, promote the high-quality development of its tourism industry, and construct an ideal bay area for international travelers.

The Government promulgated in 2017 the Development Blueprint for Hong Kong’s Tourism Industry (the Blueprint), setting out the development strategies for the long term development of Hong Kong’s tourism, including developing a diversified portfolio of visitor source markets, nurturing tourism products and initiatives with local and international characteristics, promoting the development of smart tourism, and upgrading the service quality of tourism industry. The vision of the Blueprint is to develop Hong Kong into a world-class premier tourism destination. The development strategies suggested by the Blueprint echoes with the guiding directions of the ODP and the CTD Plan.



Source: Commerce and Economic Development Bureau

<https://www.legco.gov.hk/yr2022/english/panels/edev/papers/edev20220328cb4-190-2-e.pdf>

Tourism development planning for Hong Kong

<https://www.info.gov.hk/gia/general/202110/20/P2021102000546.htm>





## Activity 6.1

**The Development Plan for the Tourism Sector during the 14<sup>th</sup> Five-Year Plan Period, the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area, the Culture and Tourism Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the Development Blueprint for Hong Kong's Tourism Industry**

### **Tourism Commission launches City in Time tourism project**

The Tourism Commission has launched the City in Time tourism project, which integrates augmented reality (AR) and multimedia technologies to present perfect combinations of historical panoramas and real-life surroundings. Together with lively animations and special sound effects, the project lets locals and tourists travel through time and enjoy enriched visual and audio experiences with their smartphones.

The first phase of the City in Time project has been rolled out in seven designated locations in Central and six designated locations in Tsim Sha Tsui.

The City University of Hong Kong, has been commissioned by the Tourism Commission to develop and produce the City in Time project.

Source: <https://www.info.gov.hk/gia/general/202103/25/P2021032500181.htm?fontSize=1>

- (a) With reference to the 'City in Time' tourism project, identify one role of Tourism Commission. Explain your answer.
- (b) Explain why the 'City in Time' tourism project is along
  - (i) the directions as stipulated in the Culture and Tourism Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area and
  - (ii) the strategies set out in the Development Blueprint for Hong Kong's Tourism Industry respectively.
- (c) Name four major roles of government in tourism development and match each role with one tourism-related measure or project which help Hong Kong develop into an East-meets-West Centre for international cultural exchange or an international tourism hub and a core demonstration zone for multi-destination tourism.



## Suggested answers

(a) Formulating and co-ordinating implementation of policies, strategies and plans for tourism development: Tourism Commission formulates the 'City in Time' tourism project and coordinates with the City University of Hong Kong for its implementation.

### (b) Reasons

(i) The City in Time tourism project shows historical panoramas of Hong Kong, which is along with the guiding principle of "shaping tourism with cultural activities and promoting culture through tourism" as stipulated in the Culture and Tourism Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area.

The City in Time tourism project which integrates augmented reality (AR) and multimedia technologies to present historical panoramas of Hong Kong can be regarded as a distinctive GBA tourism product and the development of more distinctive GBA tourism products is proposed in the Culture and Tourism Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area.

(ii) The City in Time tourism project shows historical panoramas of Hong Kong, which is along with the strategy 2 set out in the Development Blueprint for Hong Kong's Tourism Industry, i.e. to nurture and develop tourism products and initiatives with local and international characteristics, including cultural tourism and creative tourism.

The City in Time tourism project which integrates augmented reality (AR) and multimedia technologies to present historical panoramas of Hong Kong, is along with the strategy 3 set out in the Development Blueprint for Hong Kong's Tourism Industry, i.e. to develop smart tourism.

(c) Roles of government in tourism development and the corresponding measures or projects:

<b>Roles of government in tourism development</b>	Measure or project which help Hong Kong develop into an East-meets-West Centre for international cultural exchange or an international tourism hub and a core demonstration zone for multi-destination tourism
<b>Planning and facilitating tourism</b>	<ul style="list-style-type: none"><li>• The Hong Kong SAR Government will co-operate with relevant departments of other bay area cities,</li></ul>



### Planning and facilitating tourism

- with a view to attracting overseas and high value-added overnight travellers to embark on bay area multi-destination journeys via Hong Kong.
- Optimise the “144-hour visa-exemption transit” policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong through increasing the number of inbound control points and expanding the area allowed to stay. The measure will facilitate Hong Kong’s tourism trade to develop more multi-destination products targeting foreign visitors, which can attract more overseas travellers to visit Hong Kong and the Mainland via Hong Kong
- Implementing a scheme entitled “Cultural and Heritage Sites Local Tour Incentive Scheme”, which aims to encourage the travel trade to leverage the opportunities arising from Hong Kong’s rich culture and heritage resources and progressive completion of a number of major cultural and leisure facilities to develop and launch more tourism products with cultural and heritage elements
- Launching “Yim Tin Tsai Arts Festival” which is an arts cum cultural, historical and green tourism project organised in Sai Kung by Tourism Commission
- Funding the training of tourism practitioners, with a view to assisting the trade in nurturing talents in areas such as cultural and heritage tourism for supporting the long term development of the industry

### Control and supervision of tourism

- The Tourism Commission has reached consensus with the relevant units in the region in strengthening market regulation in the Annual Meeting of the Tourism Federation of Cities in the Guangdong-Hong Kong-Macao Greater Bay Area, which is jointly established by the tourism departments of the GBA cities



<b>Control and supervision of tourism</b>	<ul style="list-style-type: none"><li>• The Travel Industry Authority aims to implement a statutory licensing and regulatory regime in 2022 for upgrading the trade's professionalism and service quality</li></ul>
<b>Direct ownership of components of the tourism industry</b>	<ul style="list-style-type: none"><li>• Hong Kong Palace Museum, which is a collaborative project of the tourism industry between the West Kowloon Cultural District Authority (WKCDA) and the Palace Museum, signifies an important milestone for Hong Kong and the West Kowloon Cultural District in developing Hong Kong into an East-meets-West Centre for International Cultural Exchange as outlined in the National 14<sup>th</sup> Five-Year Plan</li></ul>
<b>Promoting tourism to home and overseas markets</b>	<ul style="list-style-type: none"><li>• HKTB will highlight Hong Kong's world-class arts and cultural development and the unique local culture when promoting the city's tourism activities and mega events. It will also promote Hong Kong and Chinese culture in the Mainland and international markets with a wide range of creative contents</li><li>• HKTB will roll out GBA-themed mega events, such as the Hong Kong Cyclothon and the Dragon Boat Carnival, to foster intercity collaboration and showcase GBA's unique art and cultural characteristics. A GBA tourism brand will be created to promote multideestination travel to visitor source markets</li><li>• HKTB will promote to GBA visitors cruise experiences at Hong Kong and collaborate with other ports within GBA to promote cruise itineraries in the region</li></ul>





## 6.2. Visitor Profile

To sustain the development of tourism industry, we have to understand the characteristics of visitors to Hong Kong to formulate appropriate plans and strategies while tourism statistics is an important tool to serve this purpose.

### 6.2.1 The Trends of Inbound Tourism Market in Geographic, Demographic, Psychographic and Socio-economic Aspects

The inbound tourism statistics, including those mentioned in the previous section, provide useful information about the characteristics of tourist arrivals to Hong Kong. The characteristics of tourist arrivals in 4 different aspects: geographic, demographic, psychographic and socio-economic as reflected by some tourism statistics are shown in Table 6.3 below.

Aspects	Common Examples of Tourism Statistics	Characteristics of Tourist Arrivals to Hong Kong
Geographic	country of origin	Mainland is the leading source of visitors to Hong Kong.
Demographic	income, gender, age, education, employment status, etc.	The Average Visitor to Hong Kong during 2019 was female (55%), aged 37.
Psychographic	personality, values, attitudes, interests, or lifestyles, etc.	Tourists tend to spend most of their money in shopping.
Socio-economic	social status, spending power, etc.	The spending power of Mainland tourist is generally higher.

Table 6.3 - Characteristics of Tourist Arrivals in Geographic, Demographic, Psychographic and Socio-economic Aspects

### 6.2.2 Analyzing Tourism Statistics

Researches in different scales are usually conducted by the government and other organizations with the objective of identifying certain patterns about the local tourism trends. Some common visitor statistics include the followings:



- Purpose of visit;
- Total expenditure associated to inbound tourism;
- Visitor spending patterns;
- Places visited;
- Main items bought ;
- Visitor arrivals by major market areas
- Overnight & same-day visitor arrivals;
- Average length of stay, etc.

Table 6.4 - Examples of Statistics Reflecting Visitors' Characteristics

According to “Visitor Arrival by Purpose of Visit”, “Visitor Profile Report” and “A Statistical Review of Hong Kong Tourism” compiled by HKTb, some key characteristics of visitors to Hong Kong can be observed through the following statistics (Table 6.5 – 6.10).

## 1) Purpose of Visit

According to Table 6.5, the main purpose of visit for overnight visitor to Hong Kong is on vacation, followed by ‘visiting friends and relatives’ and ‘business/ meetings’.

Year \ Rank (in terms of the main purpose of visit)	1	2	3	4
2019	Vacation (60.8%)	Visiting friends and relatives (17.9%)	Business (12.8%)	En route & others (8.5%)
2018	Vacation (61.1%)	Visiting friends and relatives (17%)	Business (13.5%)	En route & others (8.5%)

Table 6.5 - Purpose of Visit

Source: Visitor Arrival by Purpose of Visit, Hong Kong Tourism Board

## 2) Overnight Visitor Spending Patterns (Psychographic aspect)

The overnight visitors spend their money in Hong Kong mainly on shopping, accommodations and meals outside Hong Kong. Among all these expenditures, overnight visitors spent most of their money (47.5%) on shopping in 2019. (See Table 6.6)



Item \ Year	2018	2019
Shopping	51%	47.5%
Hotel Bills	21.5%	22.2%
Meals Outside Hotels	14.7%	16.3%
Entertainment	4.4%	4.6%
Local Sightseeing Tours	0.3%	0.3%
Others	8.1%	9.2%

Table 6.6 - Overnight Visitor Spending Patterns

Source: A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board

### 3) Total Overnight Visitor Spending (Socio-economic aspect)

In 2019, Mainland remained as the top generator of overnight visitor spending, representing 70.3% of the total. (See Table 6.7)

Ranking in 2019 ( 2018 )	Markets	Overnight Visitor Spending (HK \$billion)	Share of total ( % )
1 (1)	Mainland	97.20	70.3%
2 (2)	USA	4.69	3.4%
3 (5)	Philippines	3.48	2.5%
4 (3)	South Korea	3.38	2.4%
5 (4)	Taiwan	2.87	2.1%

Table 6.7 - Hong Kong's Top Five Markets Ranked by Overnight Visitor Spending in 2019

Source: A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board



## 4) Same-day In-town Visitor Spending Patterns (Psychographic aspect)

Same-day In-town visitor has a similar spending pattern, shopping tops their total expenditures (See Table 6.8).

Item \ Year	2018	2019
Shopping	86.7%	86.6%
Hotel Bills	0.6%	0.4%
Meals Outside Hotels	5.0%	5.5%
Others	7.6%	7.5%

Table 6.8 - Same-day in-town Visitor Spending Patterns (in percentage)

Source: A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board

## 5) Places Visited and the Main Items Bought by Overnight Visitors (Psychographic aspect)

Based on the statistics, man-made attractions and shopping are the main factors influencing visitors to come to Hong Kong. The following table lists the top 10 places visited and the top ten main items bought by overnight visitors: (Table 6.9)

Places Visited and Main Items Bought in Hong Kong 2018 & 2019 ( % ) (Overnight Visitors)					
Places Visited	2018 %	2019 %	Main Items Bought	2018 %	2019 %
Tsim Sha Tsui Harbourfront Area <sup>(2)</sup>	20	23	Ready-made Wear	30	27
The Peak <sup>(1)</sup>	21	17	Cosmetics	28	26
Hong Kong Disneyland	15	15	Snacks / Confectioneries	22	20
Open-air Market - Ladies' Market	12	11	Medicine, Chinese Herbs	14	14
Open-air Market - Temple Street	11	9	Shoes / Other Footwear	14	12
Ocean Park Hong Kong	10	9	Handbags / Wallets / Belts	10	9



Lan Kwai Fong / Soho	10	8	Personal Care (Shampoo, diapers etc.)	6	6
HK Convention & Exhibition Centre <sup>(3)</sup>	8	6	Souvenirs & Handicrafts	6	5
Lantau Island - NgongPing <sup>(4)</sup>	7	6	Perfume	5	5
The Hong Kong Observation Wheel	4	4	Milk Powder	5	4
Remark: 1. The Peak (including Victoria Peak / Peak Tram / Peak Tower and Madame Tussauds Hong Kong). 2. Tsim Sha Tsui Harbourfront Area (including Avenue of Stars, Clock Tower at Tsim Sha Tsui, Garden of Stars / Starry Gallery, Tsim Sha Tsui Waterfront Promenade and Hong Kong Cultural Centre). 3. HK Convention & Exhibition Centre (including Golden Bauhinia Square and Ani-Com Park@Garbour "Fun"). 4. Lantau Island - Ngong Ping (including Wisdom Path, Ngong Ping 360 and The Big Buddha / Po Lin Monastery).			Remark: Visitors may have bought more than one item.		

Table 6.9 - Places Visited and Main Items Bought in Hong Kong 2018 & 2019

Source: A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board

## 6) Overnight & Same-day Visitor Arrivals

In 2018 and 2019, the number of same-day in-town visitors was greater than that of overnight visitors. (See Table 6.10).

Breakdown of Visitor Arrivals 2018 & 2019			
	2018 No.	2019 No.	% Growth
Overnight Visitors	29,262,701	23,752,359	- 18.8
Same-day In-town Visitors	35,773,356	32,037,125	- 10.4
Cruise-in / Cruise-out Passengers <sup>(1)</sup>	111,498	123,125	+ 10.4
<b>Total Visitors</b>	<b>65,147,555</b>	<b>55,912,609</b>	<b>- 14.2</b>

(1) Cruise-in / Cruise-out Passengers are defined as those who both arrive and depart on the same cruise vessel.

Table 6.10 - Breakdown of Visitor Arrivals

Source: A Statistical Review of Hong Kong Tourism 2019, Hong Kong Tourism Board





## 7) Total Visitor Arrivals

The variations in the total visitor arrivals over years may be caused by the changes in the overall tourism policies and other external environmental factors stated in the Integrated Model of Tourism. Through understanding these factors, suggestions on improvement and planning can be made for the development of Hong Kong tourism industry (See Table 6.11).

Year	Total Visitor Arrivals	Growths
2008	29,506,616	4.7%
2009	29,590,654	0.3%
2010	36,030,331	21.8%
2011	41,921,310	16.4%
2012	48,615,113	16%
2013	54,298,804	11.7%
2014	60,838,836	12%
2015	59,307,596	-2.5%
2016	56,654,903	-4.5%
2017	58,472,157	3.2%
2018	65,147,555	11.4%
2019	55,912,609	-14.2%
2020	3,568,875	-93.6%
2021	91,398	-97.4%

Table 6.11 - 2008-2021 Total Visitor Arrivals

Source: Total Visitor Arrivals, PartnerNet

[https://partnet.hktdb.com/en/research\\_statistics/tourism\\_statistics\\_database/index.html?pageMode=1](https://partnet.hktdb.com/en/research_statistics/tourism_statistics_database/index.html?pageMode=1)

## 6.3. Tourism Resources in Hong Kong

Other than the top ten places visited by tourists, Hong Kong has many different types of tourism attractions for visitors to explore and enjoy. You'll be amazed by the diverse contrasts and close proximity of stunning cityscapes and soaring mountains, heritage sites and extensive green countryside.

### 6.3.1. Top 10 Places Visited by Visitors (Primary Attractions in HK)

Rank	Places Visited by Overnight Visitors (2019)	
1	Tsim Sha Tsui Harbourfront Area 	The Avenue of Stars themed on Hong Kong movies was reopened in 2019 after renovation. More than a hundred newly designed celebrity handprints are now meticulously set into the wooden handrails for tourists to view easily. Visitors can check out the stars' biographies and their selected movie clips by scanning the quick response (QR) codes with smartphones. Many local residents and visitors cluster at the Promenade to watch the firework displays over the night sky of the Victoria Harbour during festivals.
2	The Peak 	The Peak is the highest point on Hong Kong Island. You can enjoy the spectacular cityscape from the Peak. A dazzling array of restaurants, shops and entertainment venues, as well as a viewing platform make the Peak Tower a leisure destination for dining, entertainment and shopping.
3	Hong Kong Disneyland 	Hong Kong Disneyland Resort, which is Located in Lantau, is a world-class family entertainment destination. Taking pictures in front of the fountain featuring Disney's signature cartoon characters at the entrance tops the list of must-do things. Going through the nostalgic American town of Main Street USA, the glamorous castle at Fantasyland, which is the landmark of the theme park, catches every visitor's eyes. Thrill rides offering different degrees of excitement, themed performances and musicals, theaters etc. scatter in the 5 other themed lands: Tomorrowland highlighting space technology and adventure, Adventureland offering unique jungle adventure experiences, Toy Story Land featuring a colourful and childlike world, Grizzly Gulch giving distinctive exploration of abandoned towns in western USA, and Mystic Point filling with the explorer's collectibles.

## 4 Open-air Market - Ladies' Market



Ladies' Market refers to the section of Tung Choi Street between Argyle Street and Dundas Street in Mong Kok and is a popular shopping place for both locals and tourists. The Market gets its name from being a place selling fashionable ladies' clothing in the early days. Renowned for good bargains, you can find budget items of clothing, watches, handbags, cosmetics, accessories, household products and toys there.

## 5 Open-air Market - Temple Street



Temple Street is named after Tin Hau Temple, Yau Ma Tei. It is also known as "Men's Street" as the clientele of most stalls are men. The street market comes alive after 7:00 p.m. There are many good bargains, including clothing, handbags, compact discs and watches, etc. Temple Street is also famous for its food stalls, where all sorts of seafood and local delicacies can be found. Along the section of Temple Street under the flyover of West Kowloon Corridor, fortune-tellers and professional chess players huddle beside their lamps. An area near Public Square Street, which is commonly known as "Yung Shu Tau", stands some booths staging Cantonese operas or Cantonese and Western pop songs.

## 6 Ocean Park Hong Kong



Ocean Park features a diverse selection of animal attractions and thrill rides, including the Grand Aquarium which has a collection of 5 000 fishes from over 400 species, and the Giant Panda Adventure where you can visit the 2 giant pandas Ying Ying and Le Le, etc. Opened in 2021, the Water World Ocean Park includes 27 thrilling attractions in 5 theme zones. The Water World Ocean Park's architecture and environmentally-conscious design and details encourage visitors to embrace the importance of preserving the natural environment.

## 7 Lan Kwai Fong / Soho



Located at Central, Lan Kwai Fong is one of Hong Kong's most popular nightlife hot spots. Clustering with unique bars and restaurants, the area attracts thousands of local and overseas visitors alike. During festivals like Halloween, Christmas Day and New Year's Eve, the area is particularly lively, like a street carnival.






8	HK Convention & Exhibition Centre	 <p>The Hong Kong Convention and Exhibition Centre (“HKCEC”) is located in Wan Chai. In response to the ever rising utilisation rate and increasing demand for exhibition space, HKCEC has undergone several expansions over the years and it is a premier international convention and exhibition destination.</p>
9	Lantau Island - Ngong Ping	 <p>Ngong Ping 360 cable car connects downtown Tung Chung and Ngong Ping on Lantau Island. The journey begins from Tung Chung, crossing Tung Chung Bay to reach the angle station on Airport Island, passing by the Hong Kong Link Road of Hong Kong-Zhuhai-Macau Bridge and turning 60 degrees towards North Lantau. You will be greeted with the vistas of the extensive South China Sea and the rolling greens of North Lantau Country Park. Adjacent to Ngong Ping 360 cable car terminal is Ngong Ping Village. Rich in Chinese culture, the Village combines entertainment, shopping and the two themed attractions of “Motion 360” and “Walking with Buddha”. It is a popular tourist spot where you can start the journey to Po Lin Monastery and The Big Buddha (also known as Tian Tan Buddha and Giant Buddha).</p>
10	The Hong Kong Observation Wheel	 <p>The Hong Kong Observation Wheel offers stunning views of Victoria Harbour from comfortable gondolas.</p>

Table 6.12 - Top 10 Places Visited by Overnight Visitors 2019

Source: Home Affairs Department. Hong Kong Fun in 18 Districts

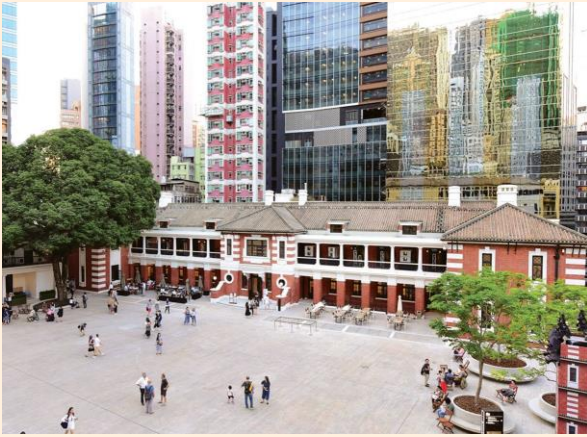
<https://www.gohk.gov.hk/en/index.php>

Hong Kong Tourism Board. The Hong Kong Observation Wheel

<https://www.discoverhongkong.com/ca/interactive-map/the-hong-kong-observation-wheel.html>



## 6.3.2. Examples of Cultural Attractions in Hong Kong



Tai Kwun



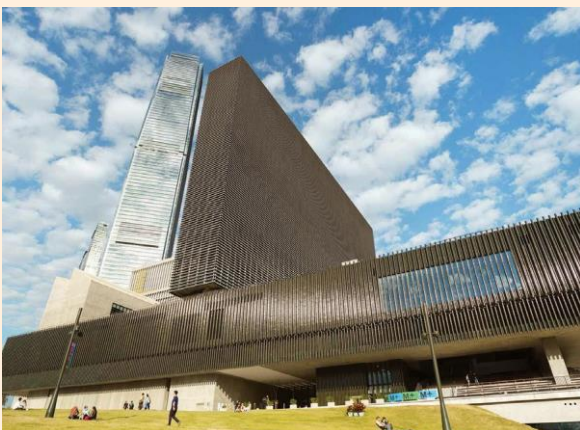
Central Market



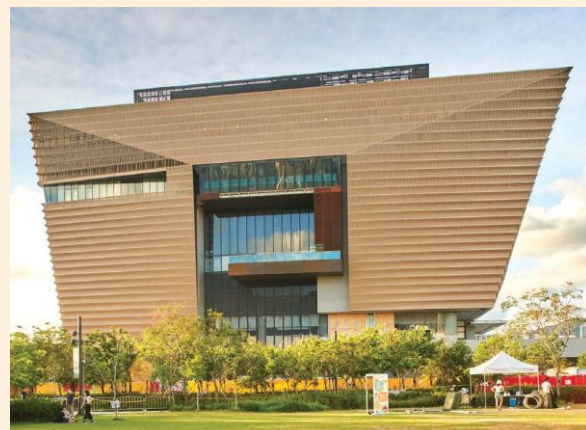
The Mills



Xiqu Centre



M+



Hong Kong Palace Museum

Source: Home Affairs Department. Hong Kong Fun in 18 Districts

<https://www.gohk.gov.hk/en/index.php>





### 6.3.3. Examples of Natural Attractions in Hong Kong



Hong Kong Geopark



Mai Po Nature Reserve



MacLehose Trail



Tai Tam Country Park

Source: Home Affairs Department. Hong Kong Fun in 18 Districts

<https://www.gohk.gov.hk/en/index.php>



# The Impacts of Tourism





## **7.1. The Social and Cultural Impacts of Tourism**

### **7.1.1. Positive Impacts on the Social and Cultural Aspects**

Tourism is an activity that involves the movement of people from one place to another. In the process, tourists bring along customs and cultures of their own countries to the host countries on the one hand, learn and bring those of the host countries back home.

Through these interactions and communications between tourists and the local community, various kinds of positive impacts can always be achieved when tourism is practiced and developed in a sustainable and appropriate way. Some of the examples are described as follows:

#### **Social Aspect:**

##### **1) Improve the Way of Life**

Positive changes in the way of life:

- Tourism industry has the potential to promote social development through employment creation, income redistribution and poverty alleviation;
- Tourism supports the creation of community facilities and services that otherwise might not have been developed, it can bring higher living standards to a destination;
- Benefits can include upgraded infrastructure, health and transport improvements, new sport and recreational facilities, restaurants, and public spaces as well as an influx of better-quality commodities and food.

Reducing negative perceptions and stereotypes:

- The increase in tourism activities will also improve the reputation and visibility of host community to outsiders (tourists), increase social contacts, new ideas, new values, and new ways of life;
- Developing positive attitude towards each other (host and tourists).

#### **Cultural Aspect:**

##### **2) Encourage Cultural Exchange**

Traveling brings people into contact with each other and, as tourism has an





educational element, it can foster understanding between peoples and cultures and provide cultural exchange between hosts and guests. This creates opportunities for people to:

- Learn about each other's culture and custom;
- Develop pride in, appreciation and understanding of, as well as respect and tolerance for each other's culture;
- Develop and extend host countries' culture because of the demand for traditional entertainment, demand for traditional art, crafts and music.

### 3) Boost for Cultural Conservation

Tourism may in a sense serve as a mechanism through which to prevent the disappearance of certain artistic and cultural features:

- Tourism can boost the preservation and transmission of cultural and historical traditions, which often contributes to the conservation and sustainable management of local heritage and a renaissance of indigenous cultures, cultural arts and crafts. Tourists' appreciation of local art, crafts, folklore, history, religion or language may create a desire among the local residents to renew their cultural pride. Along the process, tourists can help the residents appreciate their own cultural heritage and look for their national identity. The below illustration of Bali shows the benefit of tourism development in preserving local heritage culture (see Illustration 1).
- Also, tourism can boost for cultural conservation as income arising from tourism provides funding for restoration of the attractions, especially historic buildings, sites and monuments.

“Tourism has forced the Balinese to reflect on their artistic output as just one cultural identifier. The presence of visitors who continually praise Balinese art and culture has given people a kind of confidence and pride in their art, and made them truly believe that their culture is glorious and thus worthy of this praise and therefore justly admired. This realization removed any possibility in the people's mind that their art was in any way inferior to the art of advanced nations, and plays an important role in conserving and developing the art in general.”

Illustration 1: Preservation of Balinese culture

Source: UNEP





### 7.1.2. Negative Impacts on the Social and Cultural Aspects

Tourism development can bring about the benefits to a destination, but at the same time the host society may be adversely affected by it.

Community problems associated with tourism development can usually be categorized into the following aspects:

#### **Social Aspect:**

##### **1) Lifestyles**

(i) *Congestion* - By using facilities and resources in the destination, tourists can have a serious impact on host's daily life:

- Tourism may lead to water shortages as the demand for water is greater than the supply. This phenomenon may be worsened by the demographic processes. The described forms of congestion usually occur when a rapid pace of development or marked seasonality is combined with a large number of tourists compared with local population;
- Possible friction between visitors and local residents over shared usage of local recreational facilities;
- Additional demands on social services and supporting infrastructure;
- Conflict of land use that leads to segregation where tourists stay in luxurious areas isolated from the host's residents.

(ii) *Transformation of forms and types of occupation*

- Tourism offers new employment opportunities, which may draw workers from other sectors of the economy - for example, agriculture - with consequent effects on class or social structure.
- Tourism can place people, especially women and young people, in a financially less dependent position. This can drastically alter hierarchical structures in society.

(iii) *Health problems*

- Tourism may give rise to health problems in at least two ways. First of all, by moving around the world tourists may spread diseases such as AIDS, COVID 19, cholera or malaria.



- Second, the increasing number of tourists may lead to excessive use of facilities such as sewage treatment which may present health risks.

## 2) **Moral Issues**

### *(i) Prostitution and Sex Tourism*

The following hypotheses are usually used in explaining the increase in prostitution in tourist resorts:

- By its very nature, tourism means that people are away from the puritanical bonds of normal living, anonymity is assured away from home, and money is available to spend hedonistically. These circumstances are conducive to the survival and expansion of prostitution;
- As tourism affords employment for women, it may upgrade their economic status. This, in turn, may lead to their liberalization and, eventually, to their involvement in prostitution to maintain or acquire new economic levels;
- Tourism may be used as a scapegoat for a general loosening of morals.

Although there have been many discussions on the relationship between tourism and prostitution based on the above hypotheses, not much evidence has been found concerning whether tourism directly leads to prostitution.

### *(ii) Crime Generation*

Comparing with prostitution, it is easier to collect data on crime and delinquency. However, same as prostitution, it is believed that there is a relationship between tourism and crime although there is not much data to prove it. There are three factors that can influence relationship between tourism and crime rate are:

- The density of the population during the tourist season;
- The location of the resort in relation to an international border;
- The per capita incomes of hosts and tourists, large differences between them tending to encourage robbery.

Reference: Mathieson, A., & Wall, G. (1982). *Tourism : economic, physical, and social impacts*. Longman.



## **Cultural Aspect:**

### **1) Demonstration Effect**

- Local residents especially young people are attracted by the tourists' clothing, eating habits, spending patterns and their lifestyles. Eventually, they are adopting tourist behaviours, and this is called the demonstration effect.
- The consequences associated with demonstration effect are often local residents' feelings of frustration, antagonism and resentment.
  - Antagonism is developed in local residents especially young people when there are differences between their own lifestyles and that enjoyed by the tourists.
  - Older people can also become frustrated with tourism development. On the one hand they see the advantages of tourism in terms of employment and income, but on the other hand they see the disadvantages, for example in terms of loss of culture. This ambiguous attitude may produce feelings of resentment.

### **2) Commodification of Culture**

There should be no compromise between authenticity and tourists' preference. Unfortunately, culture is often modified to suit the tourists' preferences and packaged as a commodity with a price tag.

- Tourism often leads to the commercialization of art forms and especially handicrafts. Artefacts with cultural or religious meaning are sought by tourists as souvenirs. As more and more tourists visit a destination, souvenir production is increased, often leading to mass production. In the process, the cultural artefacts may lose their cultural meaning.
- Culture with a price tag: The locally promoted ceremonial or traditional values are altered to suit tourists' preferences. The pursuit of economic gain is conducted at the expense of cultural breakdown.



### 7.1.3. Measurement of Social and Cultural Impact

#### Doxey's Index of Tourist Irritation

With the development of the tourist industry and the influx of tourists, the contact of tourist-host becomes more frequent and intensified. Demonstration effect and stereotyping are two of the issues that go along with tourism development in the host society. Unlike environmental and economic impacts, it is always difficult to measure how far tourism development influences the population of the host society. To get a clear picture on the local population responses towards tourists, Doxey (1976) has developed an index to measure the level of irritation generated by the contact between tourists and the host society.

According to Doxey's irritation index (see Table 7.1), tourist destinations will pass successively through stages, namely euphoria, apathy, irritation and antagonism, then eventually to the final stage. The number of tourists could be a determining factor in leading the sentiment of the local society to the final level. It is because an ever-increasing number of tourists will finally outweigh the capacity that local people can accommodate and consequently brings pressure to the host society. For example, local people may tolerate a few tourists who behave as if they are in their home country, e.g. dress code, but if the number of tourists exceeds certain level, it may be considered as an annoyance by the host society.

#### 1. The level of euphoria

People are enthusiastic and thrilled by tourist development. They welcome the stranger and there is a mutual feeling of satisfaction. There are opportunities for locals and tourists bring in money.

#### 2. The level of apathy

As the industry expands people begin to take the tourist for granted. He rapidly becomes a target for profit-taking and contact on the personal level begins to become more formal.



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### 3. The level of irritation

This will begin when the industry is nearing the saturation point or is allowed to pass a level at which the locals cannot handle the numbers without expansion of facilities.

Parking is a problem in tourist area



### 4. The level of antagonism

The irritations have become more overt. People now see the tourist as the harbinger of all that is bad. 'Taxes have gone up because of the tourists.' 'They have no respect for property.' 'They have corrupted our youth.' 'They are bent on destroying all that is fine in our town.' Mutual politeness has now given way to antagonism and the tourist is 'ripped off'.

### 5. The final level

All this while people have forgotten that what they cherished in the first place was what drew the tourist, but in the wild scramble to develop they overlooked this and allowed the environment to change. What they now must learn to live with is the fact that their ecosystem will never be the same again. They might still be able to draw tourists but of a very different type from those they so happily welcomed in early years. If the destination is large enough to cope with mass tourism it will continue to thrive.

Table 7.1 - Doxey's Index of Tourist Irritation

Reference: Mathieson, A., & Wall, G. (1982). *Tourism: economic, physical, and social impacts*. Longman.





#### **7.1.4. Conclusions**

Tourism may seriously alter the social and cultural setting in a destination, especially when tourism development is rapid and economic and cultural distances between hosts and guests are large.

The actual assessment of social and cultural impacts is very difficult, because tourism is only one of the factors of societal change. Ascribing social and cultural developments to tourism is therefore a very difficult task. Moreover, a great handicap of the assessment of impacts appears to be the lack of a logically structured impact classification. The construction of such a classification seems to be an important research goal.

Acknowledgement: With permission from Drs. Bas Amelung, Global tourism towards an integrated approach, ICIS, 1995



## 7.2. The Economic Impacts of Tourism

### 7.2.1. Positive Impacts on the Economy

#### 1) Creating Jobs

Tourism is a highly labour intensive industry. It depends very much on a large number of people with various levels of skills and abilities (e.g. waiters, tour guides, hotel managers, etc.). In general, tourism industry has a greater capacity to provide more job opportunities than any other industries. There are 2 main types of employment generated by tourism: direct and indirect.

##### (i) Direct Employment

- Refers to employment generated from business that directly provides services to tourists

##### **Examples:**

- accommodation and catering (hotels)
- tourist attractions and business facilities (e.g. exhibition and convention centres)
- tourism promotion and information (e.g. travel agencies or tourist boards)

##### (ii) Indirect Employment

- Refers to jobs of those people who either:
  - serve both local people and tourists, or
  - manufacture goods and provide services which are bought or used by business and organisations which serve tourists directly.

##### **Examples:**

- taxi drivers
- shopkeepers
- factory workers manufacturing bedroom furniture for sale to hotels

Sectors which employ the most employees in the tourism industry are:

- food services
- accommodation
- transportation
- entertainment
- travel agencies and tour operators



## 2) Providing Tax Revenue

Tourists may pay tax like most other people. As they come from other regions or countries, their expenses result in an increased tax base for the host country. Government receives these taxes from:

### (i) Direct Taxes

- Salary tax (on personal income)
- Profit tax (on business)

An increase in tourist expenses would result in an increase in

- income of people working in the tourism industry;
- profit of business owners which therefore increases the tax revenue of the government.

### (ii) Indirect Taxes

- Sales tax
- Departure tax
- Hotel room tax
- Excise duties on dutiable commodities

## 3) Improving the Balance of Payments

The balance of payments is an accounting of the flow of goods, services and capital in and out of a country during a given period (usually a year). If a country pays, or agrees to pay out more money than it receives, it has a deficit balance of payments. If it receives more money than it pays, it has a surplus balance of payments.

Every country wants a surplus balance of payments rather than a deficit one. A thriving tourism industry (especially an inbound tourism industry) can improve the balance of payments by bringing in a large amount of foreign exchange.

A country's inbound tourism is its invisible export as it brings in foreign exchange through providing services to overseas visitors. A country's outbound tourism is its invisible import as local residents spend money overseas. (But not all of their expenses would be earned by other countries as a portion of the expenses may be paid to local



tour operators.) If inbound tourists spend more than outbound tourists do, a country will have a net surplus that will help improve the balance of payments.

## Illustration 2: Economic Impact of Tourism

In 2019, tourism was the world's third largest export category after fuels and chemicals, and ahead of automotive products and food.

Revenues from international tourism are an export (credit item in the balance of payments), while outbound tourism spending is an import (debit item). As such, international tourism can generate a tourism trade surplus when receipts exceed expenditure, or a deficit (vice versa) in the travel balance of countries.

In 2019, the United States of America had the world's largest travel surplus with USD 62 billion, resulting from tourism receipts of USD 214 billion and expenditure of USD 152 billion. Spain recorded the world's second largest travel surplus with USD 52 billion.

Source: World Tourism Organization (UNWTO), International Tourism Highlights 2020 Edition

## 4) Economic Growth and Living Standard

Most developing countries face a foreign exchange shortage problem and have difficulties financing their economic development. Tourism industry plays an important role as a foreign exchange earner. This is very important to those developing countries with limited potentials for exporting agricultural products and manufactured goods.

Tourism contributes greatly to the diversification of the economy. Through the linkages with other economic sectors such as construction, transport, food production industries, etc., the industry may spread its effect throughout the economy and bring about economic growth.

Tourism may also raise the living standard of local residents. They may have more jobs that are better paid than the traditional ones such as farming and fishing. Local people may enjoy better facilities and a wider choice of goods and services.



## **5) Generating Income and the Linkage Effect**

Income is generated from wages and salaries, interest, rent and profits. In a labour-intensive industry such as tourism, a large part of income comes from wages and salaries earned by people who are directly or indirectly involved in the industry. Moreover, the benefits of tourism can spread throughout the whole economy by creating more jobs in other sectors of the economy. For example, a hotel receptionist may save up and buy a car or a TV set, thus creating business for manufacturing industries and shops; a tour bus driver may go out for dinner with his family and this creates more business for restaurants.

On the whole, income is greater in areas where a large number of tourists of high spending power is attracted to stay for a longer time. Furthermore, contribution of tourism to the income of a tourist destination is greatly increased by a process of tourism multiplier. This occurs when money spent by tourists in an area is spent again by those who have received the initial amount of money. A detailed explanation about the tourism multiplier effect is provided in Section 7.2.3 – the measurement of economic impact derived from tourism activities.

## **7.2.2. Negative Impacts on the Economy**

Tourism profits motivate many countries in encouraging tourism development, however, there are costs to tourism.

### **1) High Consumer and Land Prices**

A flourishing tourism industry will place great pressure on the limited resources such as food, land, transport, electricity and water supply, etc. of the host economy. An increasing demand on these resources and facilities may result in inflation, thus causing negative effects on local residents. Higher consumer and land prices may result.

### **2) Over-dependency on Tourism**

Tourism depends very much on external demand factors. A large proportion of expenditure of international tourism is generated from a small number of developed





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countries. A change in the economic condition of these countries will greatly affect the number of tourists going to tourist destinations. Also, tourists' taste is somewhat "fickle"; the once popular destination may become out of fashion quickly. High dependence on tourism should be avoided.

High dependence occurs when a region becomes too dependent on tourism. Subsequent decline in the tourist flow to that region may greatly affect the economy of the area.

### 3) Leakage

Additional income generated from tourism may not be as much as it should be if there is leakage. Leakage is anything that causes the profits from tourism to drain out of the economic system. Leakage can be:

- expenditure on imported goods and services required by tourists
- expenditure on imported goods and services required by tourist business
- money earned and sent home in overseas countries by foreign workers in tourism industry
- profits of foreign-company-owned tourist facilities diverted overseas

Host countries enjoyed substantial economic benefits through the multiplier process (Indicated in Figures 7.2 and 7.3,). However, part of the revenues earned by tourism industry may leak out from local economy.

As claimed by UNEP, for most tourists who have purchased all-inclusive package tours, about 80% of their expenditures will go to companies in the private sector such as airlines, hotels and other international companies (which have their headquarters in the tourists' home countries), and not to local companies and workers. Such leakage is particularly serious in developing countries. For each US\$100 spent by a tourist from a developed country on a vacation tour in a developing country, only about US\$5 will actually be put back into the economy of the destination country (Figure 7.1 shows how the leakage happens).

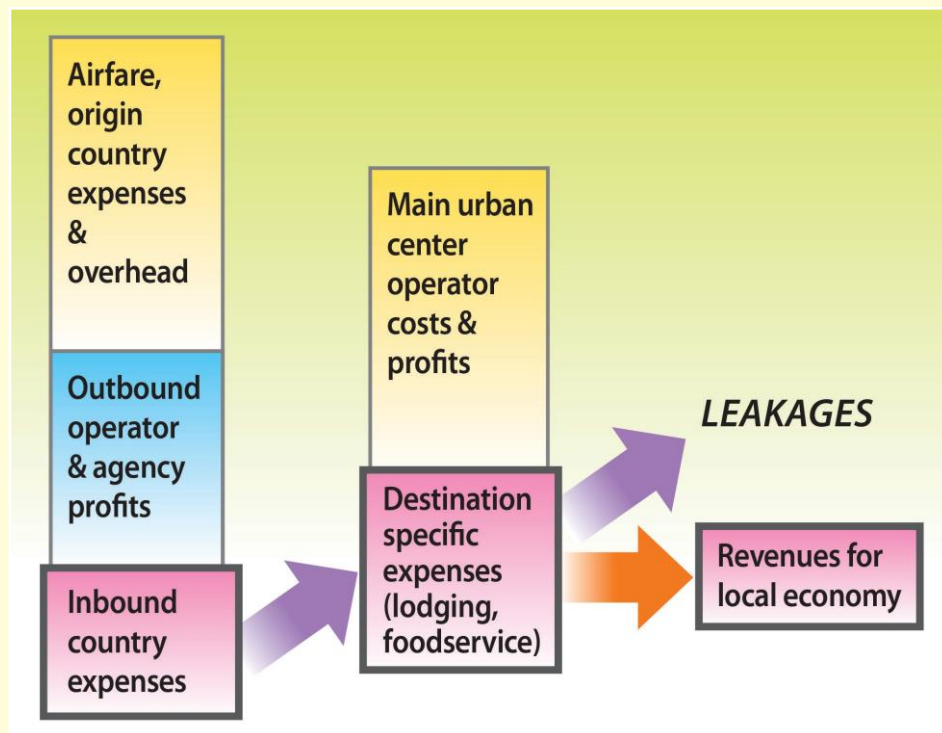


Figure 7.1 - How Leakages Happen?

Source: UNEP

There are 2 types of leakage:

(i) Import Leakage

When the host country cannot supply the products required, it is common that destination countries will import goods and products from abroad to satisfy tourists' demands, e.g. equipment, foods and drinks. On the other hand, it is due to the inferior quality of the products provided by the host country that cannot meet the standards of the international hotel chain.

(ii) Export Leakage

As proclaimed by UNEP, 'multinational corporations and large foreign businesses have a substantial share in the import leakage. Often, especially in poor developing destinations, they are the only ones that possess the necessary capital to invest in the construction of tourism infrastructure and facilities. As a consequence of this, an export leakage arises when overseas investors who finance the resorts and hotels take their profits back to their country of origin.'



In other word, the host society 'exports' their products, which are the tourist facilities and services in the destination where visitors enjoy. But since most of these facilities and services suppliers are financed and controlled by foreign investors, the profits earned will be taken back to the investors' home country.

### 7.2.3. Measurement of Economic Impacts

#### The Flow of Money - The Phenomenon of Tourism Multiplier

The concept of the multiplier is based upon the recognition that the various sectors which make up the economy are interdependent, that is, in addition to purchasing primary inputs such as labour, imports, etc., each sector will purchase intermediate goods and services produced by other establishments within the local economy. Therefore, any autonomous change in the level of final demand will not only affect the industry which produces that final good or service, but also that industry's suppliers' suppliers, etc. (Fletcher and Archer, 1991:28)

In order to gain insight into the net economic benefits, we will trace the flow of money from tourists through the economy of a destination area. Three steps are distinguished in this flow scheme and each of them will be discussed below:

#### - *First order effects*

The initial spending of tourists is at the start of the economic chain. Tourists can buy tourism products or services either directly or indirectly. In turn, these products and services can be provided either inside or outside the destination country. From observations, the following table emerges:

	Final recipient	
	Inside destination	Outside destination
Direct purchase	(a) accommodation, food	(c) tax free shopping
Indirect purchase	(b) accommodation via tour operator	(d) airfare via tour operator

Table 7.2 - A Classification of Tourist Expenditure with Some Examples



The inflow of money from tourism into the destination country (the gross effect on the balance of payments) depends on (a) and on the percentage of (b) the tour operator spends in the destination country. Clearly, if (b) is important compared to (a), the destination country is sensitive to changes in tour operators' spending patterns. Moreover, if (b) is large, tour operators can often negotiate a significant price discount, resulting in a smaller inflow of money.

- *Second order effects*

Having received the initial spending by tourists and tour operators, the tourism industry in its turn spends this extra income on inputs (consumption) and on the payment of the production factors, labour (wages), capital (interest) and entrepreneurship (profits).

- *Third order effects*

Returning to the flow of money, we see that buying inputs means extra consumption and sometimes also taxation in the form of value added taxes (Holloway, 1989). The owners of the production factors spend their income on consumption, savings or taxation. Savings and taxation can be seen as leakages from the spending cycle. However, these leakages are usually only temporary. Savings are simply postponed consumption, while part of tax revenues flow back into the economy in the form of government expenditure.

The extra consumption expenditures can be directed towards imported products or locally produced products. A large percentage spent on imports means a large import leakage, influencing the balance of payments.

It is good to remember that the net contribution of tourism on the balance of payments depends not only on initial spending, but also on the magnitudes of the import leakage and the repatriation of money.

- *Closing the cycle*

Now, the amount of money spent on locally produced goods enters the spending cycle again. This amount is, of course, smaller than the initial expenditure due to the various leakages. After having gone through the spending cycle for the second time, less



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money remains still and so on, until the effects of the initial expenditure have vanished. The cumulative effect of the initial tourist expenditure going through various spending cycles is called the tourism income multiplier (TIM).







Figure 7.2 and 7.3 illustrated how tourism expenditure can contribute to the economy of a destination.

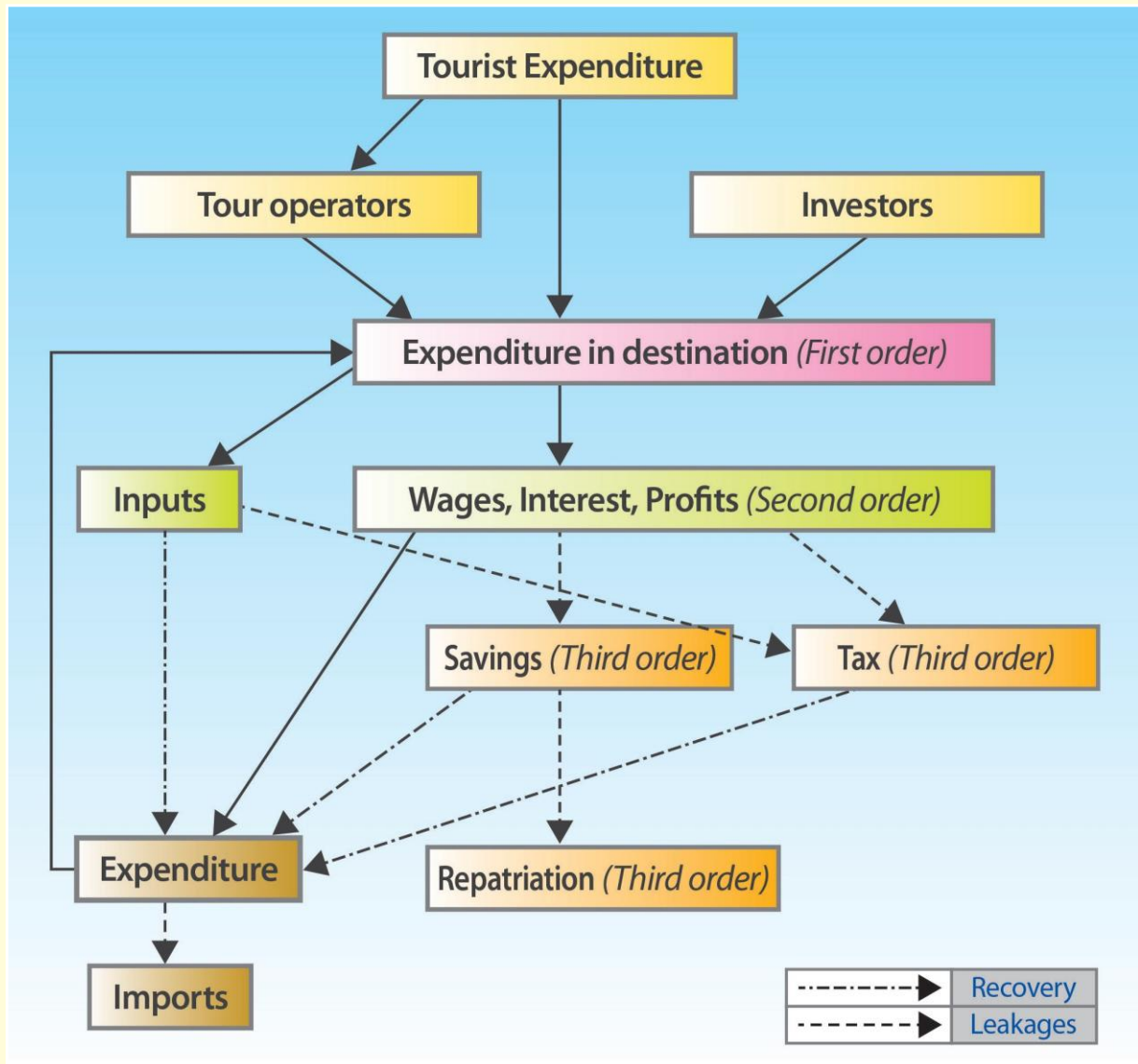


Figure 7.2 - Economic Impacts of Tourism



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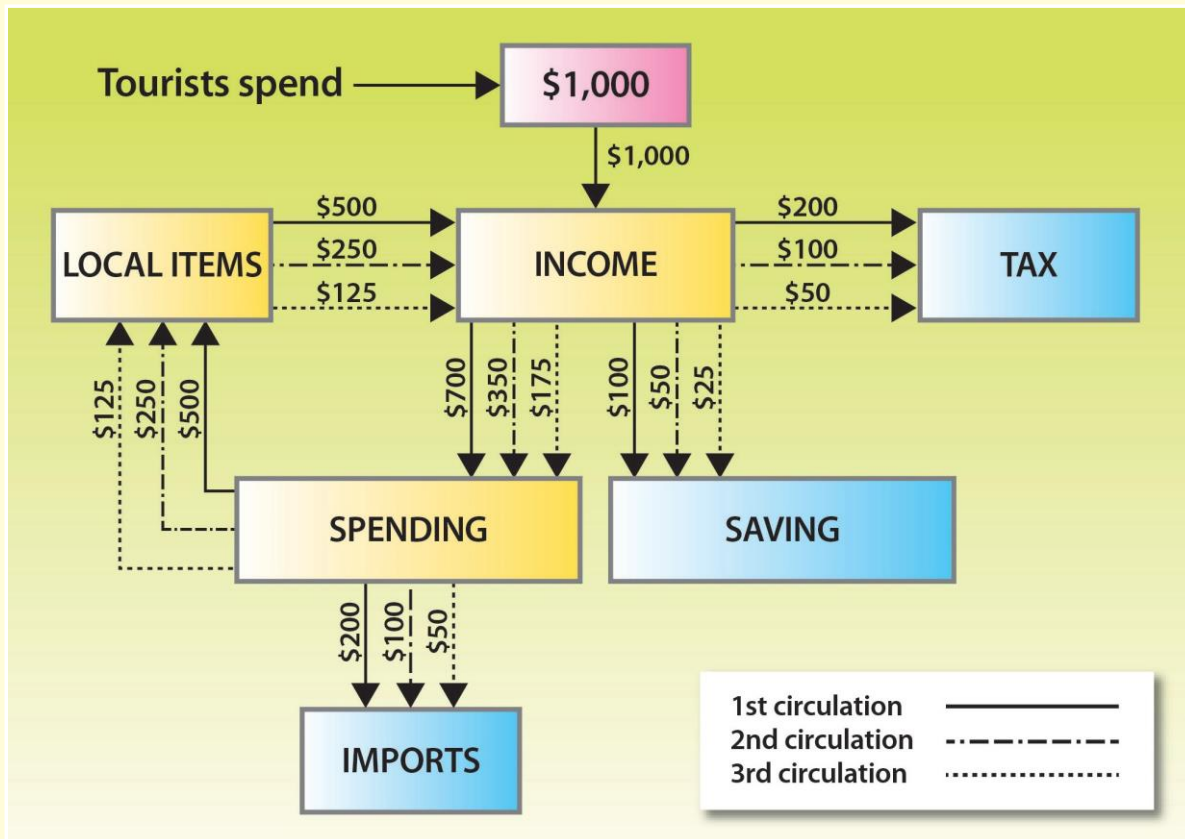


Figure 7.3 - The Tourism Income Multiplier at Work  
Source: Extracted and modified from Holloway, 1992:175

### This multiplier effect is explained as follows:

Tourists visit Hong Kong and spend money on their meals in restaurants. This provides income for the restaurant owners. They then pay tax, save some money and spend the rest. Some of what they spend goes to the purchase of goods and services from other suppliers and producers in Hong Kong. Some is spent as wages and salaries of staff and some is used to pay interest to banks and rents to landlords.

The people who receive money from the restaurant owners will pay tax, save some money and spend the rest for goods and services. Thus, the money spent by tourists is used again and again by other people. It is spread throughout the whole economy. As a result, the additional income created is far greater than the initial spending of the tourists.

Not all money circulates in the economy. Some has gone to pay tax; some has been saved or used for imported goods and services. Money which stays out of the circulation



system will reduce the multiplier effect. The multiplier effect is great when there are strong linkages among various economic sectors. Linkages are strong and the income multiplier effect are high if all the goods and services are locally supplied.

#### **7.2.4. Conclusions**

As we saw in this unit, spending on tourism is huge on a global scale. However, this does not mean that tourism is the universal remedy for economic problems. The net contribution of tourism to a destination's economy depends largely on the spending leakages. If much of initial tourist spending leak away through imports, taxes and repatriation of profits and wages, net receipts may very well be small.

Acknowledgement: Reproduced With permission from Drs. Bas Amelung, Global tourism towards an integrated approach, ICIS, 1995



## 7.3. The Environmental Impacts of Tourism

### 7.3.1. Positive Impacts on the Environment

#### 1) Preservation and Conservation of Environment

One of the arguments in favour of tourism is that uncontrolled urbanization, modernization and industrialization cause great damages to the natural environment.

Tourism can be seen as an alternative economic development which provides the necessary motive and money for preserving the archaeological treasures and ancient monuments, and conserving the natural resources for the continued enjoyment of both tourists and local residents.

Wildlife and forest reserves have been set up and scenic lands have been preserved partly due to their ability to attract tourists. For example, some east African countries such as Kenya and Tanzania have established large natural parks and game reserves for wildlife as they know that wildlife is the most important tourist attraction in East Africa. Without the economic return provided by tourism, these areas might well be converted to agriculture, mining or other forms of industrial development which cause great harm to the natural habitats.

#### 2) Enhancement of Environment

It is often the environment itself that attracts tourists to a destination. An example is the beautiful mountain scenery of Switzerland. Any tourist destination hoping to attract tourists will try to improve its image by planting flowers, developing well-designed tourist facilities such as attractive landscaped hotels.

Tourism also provides incentive for “cleaning up” the overall environment. This can be done through control of air, water, and noise pollution, littering and other environmental problems.

#### 3) Increasing Environmental Awareness

Economic success of tourism will encourage local awareness (both the government and residents) of the importance of conservation of natural environment. This leads to the adoption of administrative controls and planning (e.g. stricter anti-pollution control,



better land use zoning, etc.) by government to maintain the quality of the environment.

### 7.3.2. Negative Impacts on the Environment

The natural environment rarely escapes damage when a large number of tourists is found. The quality of water and air, the amount and species of vegetation and wildlife are inevitably changed in one way or another.

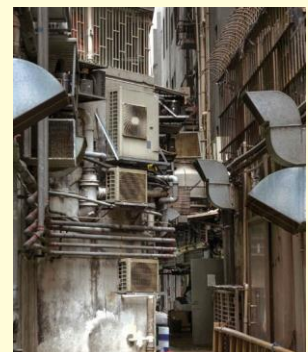
#### 1) Environmental Pollution (Impact on abiotic environment)

##### (i) Water pollution

Water pollution in rivers, lakes, and the sea may result from recreational and tourist transportation. Oil spills from cruise ships in resort harbours, untreated sewage from kitchens and bathrooms of island resorts may cause adverse effect on the aquatic ecosystem and reduce the enjoyment of the tourists swimming there.

##### (ii) Air pollution

Air pollution from tourism development may result from excessive use of vehicles (cars, buses, and motorcycles) by and for tourists at major tourist attraction areas that are accessible only or mainly by road.



Shops and restaurants in tourist areas have installed their air-conditioners' exhaust outlets close to the local residents' homes.

##### (iii) Soil pollution

Littering by tourists may lead to soil pollution if the litter contains non-biodegradable materials. The materials may break down over time and release harmful chemicals into the soil. The problem of tourism-/recreation- induced littering is very old, as is illustrated by the ancient Dutch imperative: "Laat niet als dank voor het aangenaam verpozen, de eigenaar van dit bos de schillen en de dozen." (Do not leave, in gratefulness for your pleasant stay, your boxes and litter to the owner of this forest.)





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### (iv) Noise pollution

Noise may be generated by a concentration of tourists, vehicles, aircraft and motor boats. Sometimes certain types of tourist attractions such as amusement parks, car or motorcycle races may generate noise that is unacceptable and irritating.



### (v) Visual pollution

Visual pollution may result from several sources:

- Poorly designed buildings, e.g. hotels that are not compatible with local architectural style or environment;
- Use of large and ugly advertising signs;
- Overhead utility (electricity and telephone) lines and poles;
- Buildings obstructing scenic views;
- Poor maintenance of buildings.

## 3) Ecological Disruption (Impact on biotic environment)

### (i) Vegetation

Overuse of fragile natural environment by tourists may lead to ecological damage:

- Collection of flowers, plants and fungi may change the species composition;
- Tourists trample the vegetation in parks and conservation areas;
- Hikers and campers cut trees to make campfires and soil erosion results from overuse of hiking.



Ecological damage

### (ii) Wildlife

- Wildlife loses their natural habitats wherever tourist facilities and roads are constructed.
- Feeding and breeding patterns of animals may change as they are prevented from hunting or breeding in usual places.



### **7.3.3. Measurement of Environmental Impacts**

#### **1) The Importance of Environmental Impact Assessment**

It has been agreed that limited environmental resources are being consumed by tourists and the tourism industry and in reality, the environmental impacts of tourism on the host country could be extensive. According to Romeril (1989), environmental impacts are generally categorized under three main headings: physical, biological and socio-economic (which includes cultural). Nowadays, both public and private sectors are becoming more and more concerned about the tourism impacts on the physical environment.

Environmental impact assessment (EIA) is often conducted for evaluating how serious the environment could be affected by new tourism development projects. It is believed that preventing the environment from being spoiled is easier and less costly than taking remedial action afterwards.

#### **2) Key Considerations of Environmental Impact Assessment**

Although EIA is widely used for evaluating tourism impacts, there are no generally accepted models. However, it is important to note the followings before conducting EIA:

- To understand the motivation that underlies a particular EIA before an appropriate methodology is selected. It is because certain types of EIA may concern about the cost of environmental correction. If so, the EIA is mainly for evaluating the net economic returns of tourism activity and there may be attempt to retrieve some of these costs from the industry.
- One of the functions for conducting EIA is to compare alternative developments so as to allocate resources more effectively. That is, to maximize the economic benefits of a development and to minimize the negative environmental impacts.
- Another function of EIA is to raise the profile of environmental issues.



## Introduction to TOURISM

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### 3) OECD Framework in Assessing Tourism and Environment Stress

The criteria of environment impact assessment are various. Table 7.3 shows a framework for the study of tourism and environment stress by the Organisation for Economic Cooperation and Development (OECD).

Stressor activities	Stress	Primary response environmental	Secondary response (reaction) human
<b>1. <i>Permanent environmental restructuring</i></b> (a) Major construction activity - urban expansion - transport network - tourist facilities - marinas, ski-lifts, sea walls (b) Change in land use - expansion of recreational lands	Restructuring of local environments - expansion of built environments - lands taken out of primary production	Change in habitat Change in population of biological species Change in health and welfare of man Change in visual quality	<i>Individual</i> - impact on aesthetic values Collective measures - expenditures on environmental improvements - expenditures on management of conservation - designation of wildlife conservation and national parks - controls on access to recreational lands
<b>2. <i>Generation of waste residuals</i></b> - urbanisation - transportation	Pollution loadings - emissions - effluent discharges - solid waste disposal - noise (traffic, aircraft)	Change in quality of environmental media - air - water - soil Health of biological organisms Health of humans	Individual defensive measures Local - air conditioning - recycling of waste materials - protests and attitude change Tourists - change of attitude towards the environment - decline in tourist revenues Collective defensive measures - expenditure of pollution abatement by tourist-related industries - clean-up of rivers, beaches
<b>3. <i>Tourist activities</i></b> - skiing - walking - hunting - trial bike riding - collecting	Trampling of vegetation and soils Destruction of species	Change in habitat Change in population of biological species	Collective defensive measures - expenditure on management of conservation - designation of wildlife conservation and national parks - controls on access to recreational lands



4. <i>Effects on population dynamics</i> - Population growth	Population density (seasonal)	Congestion Demand for natural resources - land and water - energy	<i>Individual</i> - Attitudes to overcrowding and the environment <i>Collective</i> - Growth in support services, e.g. water supply, electricity
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Table 7.3 - A Framework for the Study of Tourism and Environment Stress

Reference: Pearce, D. G. (1989). *Tourist development* (2nd ed.). Longman Scientific & Technical.

### 7.3.4. Conclusions

Tourism can have important impacts on both the biotic and the abiotic environment. Abiotic impacts arise from emissions to air, water and soil, while biotic impacts are caused by overuse of fragile natural environment by tourists, and changed land use for tourist facilities.

## Activity 7.1

### Case Study - Da Nang, Vietnam

Da Nang is located on the coast about midway between Ho Chi Minh and Hanoi.

The opening of the international terminal since 2011 has changed everything and propelled Da Nang into another stage in Destination Life Cycle. New resort and condominium development has occurred along virtually the entire coastline between Da Nang and An Bang, with further development along another 5 km of coast to the south of this enclave. There has been few or no development controls. Instead, it has been a race to develop as much, as quickly as possible.

Undeveloped rural land and farmland have been bought up, taken out of production and built on. Upmarket resorts owned by Vietnamese companies as well as multi-national hotel companies have become the norm. At least 5 luxury golf courses have been built, with plans to develop another 36 holes already approved.

Several phenomena have been observed with the tourism development:

- It has been typical for shops and restaurants like the ones shown below to open across the street from large resorts.



- Sales of land have resulted in the privatization of much of the coastline, denying local residents their traditional rights of access to the beach.
- A plot of land (about 125 sq. m) could be bought for US\$15,000 in 2008. A similar plot was sold for US\$150,000 in 2016 and was sold for US\$300,000+ in 2017.





- Increased affluence has allowed local residents to build newer houses and purchase motorcycles.
- Tourism creates an attractive alternative to low paid factory work. The hours are better and the wages higher. It also creates opportunities for youth, which is vital in a place like Vietnam where 41% of the population is under 25 years of age.

Source: Mckercher, B. (2018). *Da Nang, Vietnam – A classic case of spontaneous development with many impacts.*

### Questions:

- a) Identify and explain the stage of Da Nang starting since 2011 using the concept of Butler's Destination Life Cycle and support your answer with evidence.
- b) Identify and explain one positive and one negative economic impact of tourism on Da Nang and explain with evidence.
- c) Identify and explain one positive social impact of tourism on Da Nang and explain with evidence.
- d) Explain two possible negative environmental impacts brought by the development of golf tourism.



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### Suggested Answers:

#### a) Development

New tourism facilities and accommodation are constructed with the help of experts and money from outside the region.

Evidence: Upmarket resorts owned by Vietnamese companies as well as multi-national hotel companies are now the norm.

#### b) Positive: Create jobs

Tourism provides indirect employment such as shopkeepers.

Evidence: It has been typical for shops like the ones shown below to open across the street from large resorts.

Negative: Facilitate the increase in land prices

A flourishing tourism industry will place great pressure on the limited resources such as land of the host economy. An increasing demand on land will result in higher land price.

Evidence: A plot of land (about 125 sq. m) could be bought for US\$15,000 in 2008. A similar plot was sold for US\$150,000 in 2016 and was sold for US\$300,000+ in 2017.

#### c) Improve the way of life

Tourism industry has the potential to promote social development through employment creation and locals have abilities to purchase higher-quality goods.

Evidence: Increased affluence has allowed local residents to build newer houses and purchase motorcycles.

#### d) Water pollution: The chemicals used to maintain artificial turf at golf courses can seep into the ground and contaminate surface water.

Air pollution: It may result from the excessive use of spraying pesticides.

Ecological disruption: The conversion from forest or farmland to golf course may lead to the loss of natural habitats of wildlife.

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